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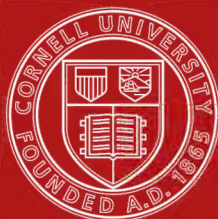
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R E P O R T S
OF
C A S E S D E T E R M I N E D
IN THE
C I R C U I T C O U R T O F T H E U N I T E D S T A T E S
FOR THE FIRST CIRCUIT

JABEZ S. HOLMES

REPORTER

VOLUME I

JULY, 1870 — JUNE, 1875

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CAMBRIDGE:

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JUDGES
OF THE
CIRCUIT COURT OF THE UNITED STATES
IN THE FIRST CIRCUIT,
DURING THE TIME OF THESE REPORTS.

HON. NATHAN CLIFFORD,
ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES.

HON. GEORGE F. SHEPLEY,
CIRCUIT JUDGE.

HON. EDWARD FOX,
DISTRICT JUDGE FOR DISTRICT OF MAINE.

HON. DANIEL CLARKE,
DISTRICT JUDGE FOR DISTRICT OF NEW HAMPSHIRE.

HON. JOHN LOWELL,
DISTRICT JUDGE FOR DISTRICT OF MASSACHUSETTS.

HON. JOHN P. KNOWLES,
DISTRICT JUDGE FOR DISTRICT OF RHODE ISLAND.

[*These Reports do not contain the opinions of* MR. JUSTICE
CLIFFORD.]

TABLE OF CASES REPORTED.

| | PAGE |
|---|----------|
| Abbott <i>v.</i> McCartney | 80 |
| Adams <i>v.</i> Boston, Hartford, and Erie Railroad Co. | 30 |
| ——— <i>v.</i> Burks | 40 |
| Allen (<i>Osgood v.</i>) | 185 |
| Almy (<i>Hartshorn v.</i>) | 493 |
| American Hide and Leather Splitting and Dressing Machine Co. <i>v.</i> American Tool and Machine Co. | 503 |
| ——— Saddle Co. <i>v.</i> Hogg | 133, 177 |
| ——— Steam-Gauge Co. (<i>United States Steam-Gauge Co. v.</i>) | 309 |
| ——— Tool and Machine Co. (<i>American Hide and Leather Splitting and Dressing Machine Co. v.</i>) | 503 |
| Androscoggin Pulp Co. (<i>Miller v.</i>) | 142 |
| Anthes (<i>United Nickel Co. v.</i>) | 155 |
| Ashcroft <i>v.</i> Boston and Lowell Railroad Co. | 366 |
| ——— <i>v.</i> Walworth | 152 |
| . | |
| Babcock (<i>City Bank of Racine v.</i>) | 180 |
| Baker <i>v.</i> Smith | 85 |
| Baring <i>v.</i> Putnam | 261 |
| Barnard (<i>Dillon v.</i>) | 386 |
| Bartlett <i>v.</i> Williams | 229 |
| Beckford (<i>Cahill v.</i>) | 48 |
| Bingham (<i>Shearman v.</i>) | 272 |
| Blake <i>v.</i> Rawson | 200 |
| Boston Diatite Co. (<i>Florence Manufacturing Co. v.</i>) | 415 |
| Boston Elastic Fabric Co. (<i>Carew v.</i>) | 45 |
| ——— Fabrics Co. <i>v.</i> East Hampton Rubber Thread Co. | 372 |
| Boston and Fairhaven Iron Works (<i>Child v.</i>) | 303 |
| Boston, Hartford, and Erie Railroad Co. (<i>Adams v.</i>) | 30 |
| Boston and Lowell Railroad Co. (<i>Ashcroft v.</i>) | 366 |

| | PAGE |
|---|---------|
| Boston Machine Co. (Tufts v.) | 459 |
| Bowler (Connecticut Life Insurance Co. v.) | 263 |
| Bradley v. Farwell | 433 |
| ——— v. Healey | 451 |
| Bridge v. Brown | 53, 205 |
| Briggs (Goodsell v.) | 299 |
| Brown (Bridge v.) | 53, 205 |
| ——— (Piper v.) | 20, 196 |
| Brownell v. Swift | 467 |
| ——— (Swift v.) | 467 |
| Buck (Roberts v.) | 224 |
| Burks (Adams v.) | 40 |
| Burleigh Rock-Drill Co. v. Lobdel | 450 |
| Cahill v. Beckford | 48 |
| Carew v. Boston Elastic Fabric Co. | 45 |
| Carpenter v. Robinson | 67 |
| Chase v. Sabin | 395 |
| ——— v. Wesson | 274 |
| Child v. Boston and Fairhaven Iron Works | 303 |
| Chipman v. Wentworth | 96 |
| Choate v. Meredith | 500 |
| City Bank of Racine v. Babcock | 180 |
| Clapp (Forsyth v.) | 278 |
| ——— (Mason v.) | 417 |
| Coggeshall v. Potter | 75 |
| Connecticut Mutual Life Insurance Co. v. Bowler | 263 |
| ——— v. Plummer | 263 |
| ——— (Plummer v.) | 267 |
| Cox (Jenks v.) | 92 |
| Crane (Union Paper-Bag Machine Co. v.) | 429 |
| Delaware Mutual Safety Insurance Co. v. Gossler | 475 |
| Dexter (Earl v.) | 412 |
| Dillon v. Barnard | 386 |
| Dolner v. The Monticello | 7 |
| Donaldson v. McDowell | 290 |
| Dover Stamping Co. (Munroe v.) | 413 |
| Doyle, <i>In re</i> | 61 |
| Draper v. Hudson | 208 |
| Earl v. Dexter | 412 |

| | PAGE |
|--|----------|
| Eastham (Murphy v.) | 113 |
| Easthampton Rubber Thread Co. (Boston Elastic Fabrics Co. v.) | 372 |
| Emmons (Kendrick v.) | 234 |
| Fales v. Wentworth | 96 |
| Farwell (Bradley v.) | 433 |
| Fiske v. Massachusetts National Bank | 209 |
| Florence Manufacturing Co. v. Boston Diatite Co. | 415 |
| ——— Sewing-Machine Co. v. Grover and Baker Sewing- Machine Co. | 235 |
| Folsom (Tarr v.) | 312 |
| Forsyth v. Clapp | 278 |
| Gear v. Grosvenor | 215 |
| Gibbs v. Usher | 348 |
| Glendale Elastic Fabrics Co. (Smith v.) | 340 |
| Goldsmith v. Hapgood | 454 |
| Goodsell v. Briggs | 299 |
| Goodyear Dental Vulcanite Co. v. Smith | 354 |
| Gossler (Delaware Mutual Safety Insurance Co. v.) | 745 |
| Grace Lothrop, The | 342 |
| Graham v. Mason | 88 |
| Greeley, <i>Ex parte</i> | 284 |
| Grosvenor (Gear v.) | 215 |
| Grover and Baker Sewing-Machine Co. (Florence Sewing- Machine Co. v.) | 235 |
| Hammond v. Mason and Hamlin Organ Co. | 296 |
| ——— (Saxe v.) | 456 |
| Hapgood (Goldsmith v.) | 454 |
| Hartshorn v. Almy | 493 |
| Hawley v. Mitchell | 42 |
| Healey (Bradley v.) | 451 |
| Hercules, The (Winter v.) | 465 |
| Hill v. Whitcomb | 317 |
| Hodges (Jones v.) | 37 |
| Hogg (American Saddle Co. v.) | 133, 177 |
| Holyoke Mutual Fire Insurance Co. (Mauger v.) | 287 |
| Hudson (Draper v.) | 208 |
| Independent Insurance Co., <i>In re</i> | 103 |
| Jackson Iron Manufacturing Co. (Woods v.) | 379 |

| | PAGE |
|--|------|
| Java, The (Judd Linseed and Sperm Oil Co. <i>v.</i>) | 15 |
| Jenkins <i>v.</i> Walker | 120 |
| Jenks <i>v.</i> Cox | 92 |
| Johnson <i>v.</i> North British and Mercantile Insurance Co. | 117 |
| Jones <i>v.</i> Hodges | 37 |
| Judd Linseed and Sperm Oil Co. <i>v.</i> The Java | 15 |
| Keith (United Nickel Co. <i>v.</i>) | 328 |
| Kendrick <i>v.</i> Emmons | 234 |
| Kissling (Murphy <i>v.</i>) | 432 |
| Lang (O'Connor <i>v.</i>) | 248 |
| Leland (Union Paper-Collar Co. <i>v.</i>) | 427 |
| Lobdel (Burleigh Rock-Drill Co. <i>v.</i>) | 450 |
| Loring, <i>In re</i> | 483 |
| ——— (Paige <i>v.</i>) | 275 |
| Mason <i>v.</i> Clapp | 417 |
| ——— (Graham <i>v.</i>) | 88 |
| Mason and Hamlin Organ Co. (Hammond <i>v.</i>) | 296 |
| Massachusetts National Bank (Fiske <i>v.</i>) | 209 |
| ——— (Matthews <i>v.</i>) | 396 |
| ——— (Morse <i>v.</i>) | 209 |
| Matthews <i>v.</i> Massachusetts National Bank | 396 |
| Mauger <i>v.</i> Holyoke Mutual Fire Insurance Co. | 287 |
| McCartney (Abbott <i>v.</i>) | 80 |
| McDowell (Donaldson <i>v.</i>) | 290 |
| Meredith (Choate <i>v.</i>) | 500 |
| Merrill <i>v.</i> Yeomans | 331 |
| Messer (Sanford <i>v.</i>) | 149 |
| Metropolitan Railroad Co. <i>v.</i> Slack | 375 |
| ——— Washing-Machine Co. <i>v.</i> Providence Tool Co. | 161 |
| Michigan Central Railroad Co. <i>v.</i> Slack | 231 |
| Miller <i>v.</i> Androscoggin Pulp Co. | 142 |
| Minon <i>v.</i> Van Nostrand | 251 |
| Mitchell (Hawley <i>v.</i>) | 42 |
| Monticello, The (Dolner <i>v.</i>) | 7 |
| ——— (Potter <i>v.</i>) | 7 |
| Moody <i>v.</i> Taber | 325 |
| Moore (Plastic Slate-Roofing Joint-Stock Co. <i>v.</i>) | 167 |
| Morrison (Woodward <i>v.</i>) | 124 |
| Morse <i>v.</i> Massachusetts National Bank | 209 |
| Munro (Page <i>v.</i>) | 232 |

TABLE OF CASES REPORTED.

ix

| | PAGE |
|---|---------|
| Munroe v. Dover Stamping Co. | 413 |
| Murphy v. Eastham | 113 |
| —— v. Kissling | 432 |
| Nash (Weston v.) | 488 |
| Nichols (Smith v.) | 172 |
| North British and Mercantile Insurance Co. (Johnson v.) . . . | 117 |
| O'Connor v. Lang | 248 |
| —— v. The Ocean Star | 248 |
| Ocean Star (O'Connor v.) | 248 |
| Osgood v. Allen | 185 |
| Pacific Mutual Insurance Co. (Simpson v.) | 136 |
| Page v. Munro | 232 |
| Paige v. Loring | 275 |
| Patten (United States v.) | 421 |
| Peck v. Schultze | 28 |
| Pike v. Providence and Worcester Railroad Co. | 445 |
| Piper v. Brown | 20, 196 |
| Plastic Slate-Roofing Joint-Stock Co. v. Moore | 167 |
| Plummer (Connecticut Mutual Life Insurance Co. v.) | 263 |
| —— v. Connecticut Mutual Life Insurance Co. | 267 |
| Potter (Coggeshall v.) | 75 |
| —— v. Thayer | 293 |
| —— v. The Monticello | 7 |
| Providence Tool Co. (Metropolitan Washing-Machine Co. v.) . | 161 |
| Providence and Worcester Railroad Co. (Pike v.) | 445 |
| Putnam (Baring v.) | 261 |
| —— v. Wetherbee | 497 |
| Rawson (Blake v.) | 200 |
| Roberts v. Buck | 224 |
| Robinson (Carpenter v.) | 67 |
| —— (Washington Mills v.) | 245 |
| Russell (Wills v.) | 228 |
| Sabin (Chase v.) | 395 |
| Sanford v. Messer | 149 |
| Sawyer v. Turpin | 226 |
| Saxe v. Hammond | 456 |
| Schooner Jasper (Winterport Granite and Brick Co. v.) . . . | 99 |

| | PAGE |
|---|------|
| Schultze (Peck <i>v.</i>) | 28 |
| Shearman <i>v.</i> Bingham | 272 |
| Simpson <i>v.</i> Pacific Mutual Insurance Co. | 136 |
| Singer Sewing-Machine Co. <i>v.</i> Union Button-hole and Em- broidery Co. | 253 |
| Slack (Metropolitan Railroad Co. <i>v.</i>) | 375 |
| — (Michigan Central Railroad Co. <i>v.</i>) | 231 |
| — (Tucker <i>v.</i>) | 485 |
| Smith (Baker <i>v.</i>) | 85 |
| — <i>v.</i> Glendale Elastic Fabrics Co. | 340 |
| — (Goodyear Dental Vulcanite Co. <i>v.</i>) | 354 |
| — <i>v.</i> Nichols | 172 |
| Staples (Treat <i>v.</i>) | 1 |
| Swift (Brownell <i>v.</i>) | 467 |
| — <i>v.</i> Brownell | 467 |
| Taber (Moody <i>v.</i>) | 325 |
| Tarr <i>v.</i> Folsom | 312 |
| Thayer (Potter <i>v.</i>) | 293 |
| Treat <i>v.</i> Staples | 1 |
| Tucker <i>v.</i> Slack | 485 |
| Tufts <i>v.</i> Boston Machine Co. | 459 |
| Turpin (Sawyer <i>v.</i>) | 226 |
| Union Button-hole and Embroidery Co. (Singer Sewing- Machine Co. <i>v.</i>) | 253 |
| — Paper-Bag Machine Co. <i>v.</i> Crane | 429 |
| — Paper-Collar Co. <i>v.</i> Leland | 427 |
| United Nickel Co. <i>v.</i> Anthes | 155 |
| — <i>v.</i> Keith | 328 |
| United States <i>v.</i> Patten | 421 |
| — Steam-Gauge Co. <i>v.</i> American Steam-Gauge Co. | 309 |
| Usher (Gibbs <i>v.</i>) | 348 |
| Van Nostrand (Minon <i>v.</i>) | 251 |
| Walker (Jenkins <i>v.</i>) | 120 |
| Walworth (Ashcroft <i>v.</i>) | 152 |
| Washington Mills <i>v.</i> Russell | 245 |
| Wentworth (Chipman <i>v.</i>) | 96 |
| — (Fales <i>v.</i>) | 96 |
| Wesson (Chase <i>v.</i>) | 274 |

TABLE OF CASES REPORTED.

xi

| | PAGE |
|--|------|
| Weston <i>v.</i> Nash | 488 |
| Wetherbee (<i>Putnam v.</i>) | 497 |
| Whitcomb (<i>Hill v.</i>) | 317 |
| Williams (<i>Bartlett v.</i>) | 229 |
| Wills <i>v.</i> Russell | 228 |
| Winter <i>v.</i> The Hercules | 465 |
| Winterport Granite and Brick Co. <i>v.</i> Schooner Jasper | 99 |
| Woods <i>v.</i> Jackson Iron Manufacturing Co. | 379 |
| Woodward <i>v.</i> Morrison | 124 |
| Yeomans (<i>Merrill v.</i>) | 331 |

CIRCUIT COURT OF THE UNITED STATES.

MAINE DISTRICT.

JULY, 1870.

JONATHAN F. TREAT *v.* MILES S. STAPLES.

Under the act of July 13, 1866 (14 Stats. 172), replevin does not lie for property of the plaintiff seized under a warrant by a collector of internal revenue as the property of another.

Nominal damages only should be allowed on judgment for defendant in replevin, where he has failed to show right in himself to the property in controversy.

ACTION of replevin for a vessel, &c., seized by the defendant, a deputy-collector of internal revenue, as the property of one Kidley, for non-payment of taxes assessed upon her. The case was heard by the court upon an agreed statement of facts, the material parts of which are stated in the opinion.

J. S. Rowe, for plaintiff.

George F. Talbot, for defendant.

SHEPLEY, J. This is an action of replevin for the brigantine M. A. Herera, her boats, tackle, and apparel. The general issue was pleaded and joined, and the defendant also denied that property was in the plaintiff, and set up property and right of possession in himself as a deputy-collector of the internal revenue of the United States.

On the twenty-eighth day of July, A.D. 1863, the brigantine being then the property of Annie M. Kidley, and registered as a British vessel at St. Andrews, in the Province of New Brunswick, was by her conveyed by mortgage duly executed and recorded to James Treat, of Frankfort, Me., to secure the payment of a note for twenty thousand dollars, payable in one year from that date.

James Treat being indebted to the plaintiff, Jonathan F. Treat, on the thirty-first day of March, A.D. 1864, assigned the mortgage to the plaintiff then and now resident in California, and delivered the assignment to the plaintiff's agent at Frankfort, Me. The mortgage debt was not paid, and the plaintiff had the right to immediate and exclusive possession of the vessel. In the mortgage, Annie M. Kidley is described as of Bristol, England, then residing at St. Andrews, in the Province of New Brunswick. Her parents were British subjects, residing at the time of her birth, and ever since, at Clifton, near Bristol, England. In 1854, being then in her twelfth year, she came from Clifton to Frankfort, Me. There she remained in the family of George Treat, a brother of the plaintiff, until the spring of 1863, with the exception of occasional voyages to sea, as a companion of the wife of George Treat, who is a master mariner. In July, 1863, she went to St. Andrews, in the Province of New Brunswick, where she had friends, and resided in the family of J. H. Whitlock, collector of that port, and attended school. In March or April, 1864, she made a short visit to Massachusetts. In June, 1865, she made a visit of three weeks' duration to Frankfort, then returned to St. Andrews, and in the fall of that year returned to her home in England, where she has since resided.

In June, 1865, the assistant-assessor of internal revenue for collection district number five, in the State of Maine, which embraced the town of Frankfort, returned to John West, collector of internal revenue for that district, a list of persons in Frankfort and Searsport subject to internal-revenue tax. In this list Annie M. Kidley is assessed on income \$1,557.70, and penalty \$389.42; and at the foot of the list the assessor certifies that "Miss Annie M. Kidley, of Frankfort, above named, upon being duly notified and required to return to me, Charles H. Pierce, assistant-assessor of the tenth division of the fifth collection district of the State of Maine, the amount of her income, gains, and profits during the year 1864; and, after reasonable time allowed her therefor, she having neglected to render me the return of said income, gains, and profits for the said year 1864, from the best information I can obtain I have valued the said income, gains, and profits for said year at \$18,377, and upon that valuation have assessed upon her a tax or duty of \$1,558.70; and have also assessed upon her a tax or duty of \$389.67, it being

twenty-five per cent added thereto as a penalty for wilfully neglecting to return and render in to me the income, gains, and profits accruing to her as aforesaid in the year 1864, the whole duty or tax being \$1,948.37." July 25, 1865, John West, the collector, committed to the defendant, his deputy-collector, duly appointed, a list of unpaid taxes for collection, in which list is included an income tax against Annie M. Kidley of \$1,557.70, and a penalty of \$389.42.

At some time between the 1st and 7th of August, defendant called at Jonathan Treat's, where he understood Miss Kidley had previously lived, and left there a notice for her to pay her tax. Aug. 9 and Aug. 21, defendant also deposited in the post-office, addressed to Annie M. Kidley, Frankfort, Me., notices to pay the tax in the usual form. These notices were not taken from the office, and were by the postmaster returned to defendant in April, 1866. Sept. 22, 1867, West called upon James Treat, and told him his business was to collect Annie M. Kidley's tax, or distrain her property, and asked said Treat if he was her agent, or if she had an agent in this country. James Treat replied, that Miss Kidley lived in New Brunswick, and had no agent in this country. Sept. 23, 1867, defendant received from John West, the collector, a warrant of distrain, dated Sept. 21, 1865, and on the same day seized and distrained upon the brigantine M. A. Herera, and was proceeding to comply with the provisions of law in relation to a distrain and sale, when, on the twenty-sixth day of September, the brigantine was taken from his custody by the writ of replevin in this case.

Upon this state of facts it is difficult for the court to arrive at the conclusion that Annie M. Kidley was taxable upon annual gains, profit, or income for the year 1864. She does not appear to be embraced in either of the classes contemplated in the statute as a person residing in the United States, or a citizen of the United States residing abroad. 13 Stats. 281, 479.

And even if she had been a person liable to pay a duty on income, and had neglected and refused, after legal demand, to pay the same, the amount due would have constituted a lien in favor of the United States from the time it was due until paid, only upon the property and rights of property belonging to her at that time. The warrant to distrain the goods of the delinquent would not authorize the collector to levy upon property

mortgaged long before the tax was assessed or due, and to which, if the mortgagee had not acquired an absolute title, he had certainly the right of immediate and exclusive possession. If the United States had any lien, it could only have been on such "rights of property," if any, as Annie M. Kidley had in the brigantine when the tax was due. It is clear, upon the agreed statement of facts in this case, that she had at that time no such "rights of property" in the vessel as would justify a seizure of the vessel itself, and a sale of it either as her property or as property conveyed by her under a conveyance subject to a paramount lien in favor of the United States.

The question then arises, if Annie M. Kidley was not liable to be assessed for a duty or tax on income, and if the property seized by the deputy-collector is not fairly to be considered as liable to seizure as the property of Annie M. Kidley, even if she were legally taxable and delinquent, is the plaintiff entitled to maintain an action of replevin against the defendant, a deputy-collector of the internal revenue of the United States?

The statute of the United States approved March 2, 1833, 4 Stats. 633, provides that all "property taken or detained by any officer or any other person, under authority of any revenue law of the United States, shall be irrepleviable, and shall be deemed to be in the custody of the law, and subject only to the orders and decrees of the courts of the United States having jurisdiction thereof."

The fiftieth section of the act of June 30, 1864, 4 Stats. 241, extended the provisions of the act of March 2, 1833, to all cases arising under the laws for the collection of internal duties, licenses, or taxes, which have been or may be hereafter enacted; "and all persons duly authorized to assess, receive, or collect such duties or taxes under such laws are hereby declared to be and to have been revenue officers within the true intent and meaning of the said act, and entitled to all exemptions, immunities, benefits, rights, and privileges therein enumerated or conferred."

The act of July 13, 1866, 14 Stats. 172, repeals the fiftieth section of the act of June 30, 1864; but it also provides that all property taken or detained by any officer or other person under authority of any revenue law of the United States shall be irrepleviable, and shall be deemed in the custody of the law, and

subject only to the orders and decrees of the courts of the United States having jurisdiction thereof.

Where a statute is repealed, and one or more of its provisions is re-enacted in the repealing statute, so that there is no moment in which the repeal is in force without being replaced by the corresponding provisions of the new statute, in practical operation and legal effect this is to be considered rather as a continuance and modification of old laws than as an abrogation of the old and the re-enactment of new ones. *Wright v. Oakley*, 5 Met. 406; *Steamship Company v. Joliffe*, 2 Wall. 458. But it is contended that the provision of the statute, that property taken or detained by an officer or other person under authority of a revenue law of the United States, shall be irrepleviable, applies only to such property as he is authorized by his warrant to take, and does not extend to a case like the present, where it is claimed by the plaintiff that his property was seized under warrant to seize the goods of Annie M. Kidley, the supposed delinquent.

But the words of the statute are not susceptible of any such limitation, nor would such a construction of the statute accomplish the purposes or carry into effect the policy of the enactment. Mr. Justice Davis, in *Nichols v. The United States*, 7 Wall. 129, well observes: "The prompt collection of the revenue, and its faithful application, is one of the most vital duties of government. Depending as the government does on its revenue to meet not only its current expenses, but to pay the interest on its debt, it is of the utmost importance that it should be collected with despatch, and that the officers of the treasury should be able to make a reliable estimate of means in order to meet liabilities." After pointing out the disastrous consequences to the finances of the country, of allowing parties to arrest the collection of the revenues of the country by suits prosecuted for alleged errors or mistakes, he shows most conclusively that the laws for the collection of the customs and the internal revenue each constitute a system, and provides suitable remedies for the benefit of those who complain of illegal assessment of taxes or illegal exactions of duties.

In the case of *The People v. Albany*, 7 Wend. 485, a warrant had been issued directing the collection of a military fine from one Hammond, a member of the society called Shakers. The warrant was executed by a constable, by levying upon property

belonging to the society, who caused the property to be replevied. The president of the court-martial who issued the warrant, and the constable who served it, being made defendants in the replevin, moved the court to set aside the plaint, which they refused, on the ground that it was not shown that the proceedings were regular before the court-martial which issued the warrant. The statute of New York provided "that no replevin shall lie for any property taken by virtue of any warrant for the collection of any tax, assessment, or fine, in pursuance of any statute of this State." Upon a motion in the Supreme Court for *mandamus* to the Common Pleas, the court, Savage, C. J., say, "The Common Pleas supposed they had a right upon the motion before them to inquire into the regularity of the proceedings of the court-martial, which, I apprehend, is a mistake. If it appears upon the face of the warrant in the possession of the officer that he is authorized to collect any tax, assessment, or fine, replevin is not the proper remedy to correct his mistakes or trespasses. The warrant upon the face of it authorized the officer to take the property of Hammond. It refers to and purports to be in pursuance of a statute of this State. The officer took property belonging to a society of which Hammond was a member. Whether he had a right to do so or not is not to be inquired into in this motion, nor in this action. The legislature have thought proper to say that replevin shall not be brought in such a case. Any other appropriate remedy may be resorted to."

This reasoning is applicable to the facts in this case. We are satisfied the plaintiff is not entitled to maintain the present action of replevin. The statute left him a resort to any other appropriate remedy. When the government for revenue purposes takes possession of any property of the citizens, it is the policy of the government that its power to provide for its expenditures should not be crippled by any liability to have that property taken by replevin from the officers intrusted with the duty of collecting revenue. The law provides for the citizen other and appropriate remedies. If the remedy of replevin existed before in case of property taken by authority or under color of legal process, it is taken away by the express provisions of the statute.

Judgment must therefore be entered for the defendant. He is entitled to nominal damages, because his right has been infringed, and to nothing more. There is no rule which requires the court

to award to the defendant damages to the value of the property to him when he shows no right to it. *Sanborn v. Leavitt*, 43 N. H. 474; *Ingraham v. Martin*, 15 Me. 373.

Judgment for defendant.

MASSACHUSETTS DISTRICT.

SEPTEMBER, 1870.

HAROLD DOLNER *et al.*, Libellants, v. STEAMER MONTICELLO, W. W. LINCOLN, Claimant. GILBERT POTTER *et al.*, Libellants, v. SAME.

The act of 1864, chap. 69, art. 10 (13 Stats. 60), requires a fog-horn to be sounded on a sailing-ship under way, when there is fog enough by day to shut out the view of the sails or hull, or at night the lights, of vessels within the range of the sound of the horn.

"Moderate speed," within the meaning of the act of 1864, chap. 69, art. 16, requiring steamships to go at moderate speed in a fog, is a speed sufficiently moderate to enable the steamer, under ordinary circumstances, when approaching another ship so as to involve risk of collision, seasonably and effectually to slacken her speed, or, if necessary, stop and reverse.

The lookout of a steamer at sea in calm weather, running at night in a fog not less than eight miles an hour, discovered the port light of a schooner having little headway, about two hundred feet distant and about a point on the starboard bow. The steamer's helm was ported, and orders given, before collision, first to slow, and afterwards to stop, the engine. The steamer struck the port side of the schooner, cutting her down below the water-line, and kept on her course for a considerable distance. No fog-horn was sounded on the schooner. *Held*, 1. That the steamer was in fault for porting, instead of starboarding, her helm. 2. That the steamer was also in fault for going at more than the moderate speed directed by the act of 1864, under such circumstances. 3. That the schooner was in fault for not sounding a fog-horn, as required by the act of 1864.

Both vessels being in fault, and the faults of both contributing to cause the collision, the damages were divided.

ADMIRALTY appeals from the District Court of Massachusetts in cases of collision.

The libellants in the first case were the owners of the schooner *Phebe*; in the second, the owners of the cargo on board the *Phebe*; and claimed, respectively, to recover the value of the schooner and cargo, alleging that the *Phebe* "was run down

and sunk by the fault of the steamer Monticello, whereby the schooner and cargo were totally lost."

The claimants contended that the collision was caused by the fact that there was a thick fog at the time, which made it impossible to see the schooner's lights, and by the neglect of the persons in charge of the schooner to sound a fog-horn, as required by law. In the District Court, the damages were divided, on the ground that both vessels were in fault; and the parties appealed.

C. T. & T. H. Russell, for libellants.

John C. Dodge, for claimants.

SHEPLEY, J. The schooner Phebe, on the sixth day of March, left the port of Havana, Cuba, laden with a cargo of fruit, bound for the port of New York. Proceeding on her voyage, about ten o'clock on the night of the 11th of March the schooner was from thirty to forty miles south by west from Cape Lookout, with a light wind from the north-east, sailing on her larboard tack, heading east by south, and close-hauled upon the wind. The breeze was so light that the schooner had scarcely any headway, barely enough to give her steerage, and was nearly becalmed. The port watch was upon the deck and on the alert, and the regulation lights were properly displayed. The course of the schooner was not changed until after the collision.

The steamer Monticello being on a voyage from Boston to Savannah, and running not less than eight miles an hour, the man on the lookout on the steamer discovered the red or port light of the Phebe, about one point on the steamer's starboard bow. The wheel of the steamer was thereupon put to port, and orders given, first to slow, and afterwards to stop, the engine. The steamer struck the schooner upon the port side, between the fore rigging and the cat-head, cutting her down below the water-line. By the force of the collision the schooner was thrown round so as to head about west-south-west, and the steamer kept on her course for a considerable distance. The schooner immediately filled with water, capsized, and was totally lost, with all her cargo, tackle, apparel, and furniture.

When the steamship struck the schooner, four of the schooner's crew jumped on board of the steamer. The remainder of the crew were taken off by a boat from the steamer, when the schooner, having capsized, was all under water except her starboard rail. The testimony introduced by the libellants and that on the part of the claimants thus far is not in conflict.

The claimants contend that the collision was caused by the facts that there was a thick fog at the time, which made it impossible to see the schooner's light sooner than it was seen; and that the persons on board of, and in charge of, the schooner neglected to sound a fog-horn, as by law they were bound to do, or to give any timely notice, by any other means, of her presence. The answer also alleges that the schooner did not carry lights of the strength and brilliancy required by law. This last point was not much relied upon in the argument, and is not supported by the proofs in the case.

The libellants claim that, at the time the steamship was descried from the schooner, she was about a mile distant and under good headway, and ought to have, and easily could have, changed her course and passed the schooner.

There is much conflict in the testimony as to the density of the fog, and as to the distance at which the lights of either vessel could be seen from the other. Some of the witnesses speak of the night as merely "misty," or "hazy," and "smoky;" while others testify that the fog was so dense that "you couldn't see any thing;" others, according with their respective powers of description or accuracy of recollection or force of imagination, testifying to every intermediate state, from impenetrable fog and murky darkness, as stated by one witness, which is "nothing more than dew, and a kind of smoke over the water," as described by others. Taking into consideration the fact that all the witnesses substantially admit the existence of a fog, mist, or haze of some kind, and also those undisputed facts in the case where the unpremeditated acts of parties at the time speak louder than words, — such as the request of the mate of the steamer to the master to keep the whistle blowing, when he was going out a short distance in the boat to rescue the crew of the schooner, the suddenness with which the lights of the respective vessels glanced out of the fog when first visible from the deck of the other vessel, and many other equally convincing facts and corroborating proofs not necessary to recapitulate, — there can be no difficulty in arriving at the conclusion that the fog was sufficiently dense to shut out the view of the lights of the schooner within the range of the limit of the sound of the fog-horn; in other words, that, at the time immediately preceding the collision, a fog-horn could have been heard at a greater distance from the schooner than the regulation lights of the schooner could have been seen.

Chapter 69, art. 10, act of 1864, 13 Stat. 60, provides that, "Whenever there is a fog, whether by day or night, the fog-signals described below shall be carried and used, and shall be sounded at least every five minutes; viz.,—

"Steamships under way shall use a steam-whistle placed before the funnel, not less than eight feet from the deck.

"Sailing-ships under way shall use a fog-horn.

"Steamships and sailing-ships, when not under way, shall use a bell."

The Phebe was under way, and no fog-horn was sounded that night. If she had been stationary, she was without any bell; and it is doubtful if she had any fog-horn on board capable of being used when under way.

Although we do not find that this omission to comply with the requirements of the statute was the cause of the collision, we are not prepared to say that it did not contribute in some degree to bring it about. The testimony entirely fails to convince us that the hailing or shouting of the men on the schooner was any substitute for the horn required by law. The schooner's men did not commence to hail the steamer until after the steamer's lights were seen through the fog. The statute contemplates that a horn could be heard at a greater distance than the lights could be seen. To admit this hailing as a valid substitute for the fog-horn, under the circumstances of this case, would be to repeal the plain provisions of the statutes. The true rule in relation to the density of a fog which would require the use of the statute fog-horn, is well stated by the learned District Judge in his opinion in this case: "By day, there must be fog enough to shut out the view of the sails or hull; or by night, of the lights within the range of the horn, whistle, or bell."

It would require very clear and positive proof that the omission to comply with the statute did not in any way contribute to the collision to authorize a court to say that the vessel thus neglecting was free from fault, especially in a case like this, where the vessel had made no suitable provision for giving the signal by a horn when under way, or by a bell when stationary, neither horn nor bell being in readiness for use.

The officers and crew of the schooner testify, without an exception, that the steamer's lights were seen at a distance of a mile. The lights of the steamer were very brilliant, and in a night like this, when the fog was more dense near the surface

of the water, the mast-head light of the steamer could undoubtedly be seen at a much greater distance than the lights of the schooner. Opinions as to the distance of an object seen through a fog upon the water are always more or less unreliable, and a more satisfactory result as to the intervening space between two vessels approaching each other is attained by ascertaining their rate of progress and the time intervening between the time when first seen and the time of collision. Applying this test to the evidence, while it would show that the steamer's lights were not probably seen at the distance of a mile from the schooner, they were seen at such a distance that if the fog-horn had been then at hand and immediately sounded it would have been heard from the deck of the steamer before the lower and less brilliant lights of the schooner were perceptible from the steamer.

Although a steamer is by law required to keep out of the way of sailing-vessels, this does not authorize a sailing-vessel to needlessly or wantonly put herself in danger, or by her own negligence to deprive the steamer of any reasonable opportunity of being informed of the position and course of the sailing-vessel, so as to enable those in charge of the steamer to avoid a collision by changing or arresting the steamer's course when necessary.

It is contended on the part of the libellants that the steamer was in fault in not sounding her steam-whistle, and in not having a lookout on each bow. The evidence is very contradictory on these points; and, for the reasons given below, it becomes unnecessary to decide them, especially as it does not appear if there were any omissions of duty in these respects that they contributed in any way to cause the collision. It is also alleged against the steamer that she was running too fast, and that there was fault in porting the helm of the steamer when it should have been put to starboard.

“When two ships, one of which is a sailing-ship, and the other a steamship, are proceeding in such directions as to involve risk of collision, the steamship shall keep out of the way of the sailing-ship.” 13 Stat. 60. “When two sailing-ships are meeting end on, or nearly end on, so as to involve risk of collision, the helms of both shall be put to port, so that each may pass to the port side of the other.” The rule is the same in the case of two ships under steam meeting; but not so when a ship under steam and a sailing-ship are proceeding in such directions as to involve risk

of collision. In such a case, the sailing-ship is required "to keep her course" (chap. 64, act of 1864, art. 18); and the ship under steam is "to keep out of the way of the sailing-ship," which she may do by stopping and reversing, or by putting her helm to port or to starboard: the statute, while requiring her under such circumstances "to slacken her speed, or if necessary stop and reverse," not enacting any rule requiring the helm to be put either to port or to starboard, merely requiring the vessel under steam to keep out of the way of the vessel under sail, leaving her free to adopt the most practicable and seaman-like mode of doing it, by stopping and allowing the sailing-vessel to pass, or by passing across her bows or under her stern, or on either hand, so that she keeps out of her way. Some of the experts examined in the case do not appear to understand that the rule of porting the helm, applicable to the case of two vessels both under sail and of two vessels both under steam, meeting each other end on, or nearly so, is not applicable to the case of such a meeting where one is under sail and the other under steam.

But nine witnesses — all of whom have been masters of ocean steamers, and whose opinions are certainly entitled to great consideration — all agree that, supposing a steamer proceeding at the rate of eight or ten knots an hour in a fog, the weather being calm, suddenly makes a red light close to, or about two hundred feet off, and bearing one-half point on her starboard bow, she ought to put her helm to starboard. Some of them adding, very properly, to the answer, "put my wheel hard to starboard," the words, "and stop the engine."

Their opinion is sustained by the result in this case. The order was to port the helm, and the steamer fell off a point and a half at least, and struck the schooner at or very near the fore rigging. Now, taking the shortest distance, and suppose the vessels only two hundred feet apart at the time the helm was ported, and it is mathematically demonstrable upon the facts in this case, that, if the helm had been put to starboard and the steamer had come up a point and a half, she would have passed in advance of the schooner and cleared her. The schooner was making little headway. Some of the experts think the steamer would have cleared her by keeping her course. All the experts examined in the District Court concurred in putting the steamer in fault in porting when she should have starboarded. Although some expert tes-

timony is introduced in this court not heard before the District Judge, the great preponderance of proof in this court is to the same effect.

The claimants contend, that if, sitting calmly in judgment on this case, and looking at it in the light of results, — a light which, before the event, the mate could not have, — it should appear that on the whole the chances of avoiding the schooner would have been better if the helm had been starboarded, it does not follow that the mate of the steamer was culpably negligent because he ported the helm. They contend that he had no time for deliberation; and the fact that the steamer was in such dangerous proximity as to compel him to hasty action, was the fault of the schooner. This position was presented in an argument of great clearness and power. It would be tenable, we think, if we were satisfied of one of the premises; that is, that the fact that the steamer was in such dangerous proximity as to compel hasty action, was the fault of the schooner *alone*. But we do not think the steamer can be considered free from fault in this respect.

A steamship, when approaching another ship so as to involve risk of collision, is bound to slacken her speed, or, if necessary, to stop and reverse. When in a fog, she is required to go at a moderate speed. "A moderate speed" is a term used in the statute not capable of any definition which would apply it to a speed of any given number of miles an hour alike under all circumstances. What would be moderate speed in the open sea would not be allowable in a crowded thoroughfare or a narrow channel. And under the same circumstances, in other respects, the speed should be the more moderate according as the fog is more dense. The only rule to be extracted from the statute and a comparison of the decided cases is, that the duty of going at a moderate speed in a fog requires a speed sufficiently moderate to enable the steamer under ordinary circumstances, seasonably, usefully, and effectually to do the other things required of her in the same clause of the statute; viz., to slacken her speed, or, if necessary, to stop and reverse.

In the case of *The Batavia*, 40 Eng. L. & Eq. 25, Sir John Patterson said, "At whatever rate the steamer was going, if going at such rate as made it dangerous to any craft which she ought to have seen, she had no right to go at such a rate. At all events, she was bound to stop, if it was necessary to do so, in order

to prevent damage being done to the craft in the river." Dr. Lushington, in the case of *The Juliet Erskine*, 6 N. C. 633, says, "If in a dark night the vessel was proceeding at such a rate that those on her deck had not sufficient command over her so as to avoid all reasonable chance of accident, then that was too expeditious a rate, because it was the duty of those who navigate the commercial marine of the country to take care that they do not, for the sake of expedition, injure the property of other people." In the case of *The Jane v. The Great Eastern*, carried to the Judicial Committee of the Privy Council on appeal, reported in 11 Law Times, N. S. 5 P. C., the Superior Court say, "The witnesses on both sides state that it was a dark night, hazy weather, and that a drizzling rain was falling. Their lordships do not mean to lay down any rule, beyond that expressed in the regulations themselves, as to the occasion where a steam-vessel is bound to moderate her speed, or as to the rate which, in the circumstances described in the evidence, she ought not to exceed; but their lordships are of opinion that it is the duty of the steamer to proceed only at such a rate of speed as will enable her, after discovering a vessel meeting her, to stop and reverse her engines in sufficient time to prevent any collision from taking place." Holt's Rule of the Road, 167-180.

Considering that the steamer was proceeding at a rate of not less than eight miles an hour, "with the throttle open" and the "cut off" on the engine, and that under such circumstances, according to the testimony of her assistant-engineer, she could not be brought to a full stop under four or five minutes, and at a less distance than half a mile, it can hardly be considered that the dangerous proximity of the steamer to the schooner, which involved the risk of hasty action when the schooner was first seen, was not, at least in part, the fault of the steamer.

Under these circumstances, both vessels being in fault, and the faults of both contributing to cause the collision, the damages must be divided.

Decree of District Court affirmed, with costs.

SEPTEMBER, 1870.

JUDD LINSEED AND SPERM OIL COMPANY, Libellants, Appellants, v. STEAMER JAVA, JAMES BURNS *et al.*, Claimants.

A steamship undertaking, in a channel frequented by small vessels and boats, to run at an acute angle under the stern of a vessel at anchor, so large and standing so high out of water as to intercept the view from the steamship of small vessels and boats, is bound to proceed at such rate of speed and with such vigilance as will enable her to keep out of the way of a sailing-vessel passing from behind the anchored vessel.

ADMIRALTY appeal from the District Court of Massachusetts. The facts of the case are stated in the opinion.

R. H. Dana, Jr., L. S. Dabney, for appellants.

W. G. Russell, for claimants and appellees.

SHEPLEY, J. The libel in this case is brought by the owners of a cargo of linseed, which was shipped on the schooner James McCloskey, and damaged to the extent of about seven thousand dollars, in consequence of a collision in Boston harbor between the schooner and the steamship Java, of the Cunard line.

Libellants claim that "the steamship caused the collision by not seasonably altering her course, and by not seasonably stopping and backing her machinery, and by her unusual and venturesome navigation, or by one or more of said faults."

The claimants contend that a good lookout had been kept by the Java during the whole time she was coming up the harbor; that it was impossible for her to discover the schooner sooner than she was discovered, owing to the fact that the school-ship George M. Barnard was interposed between her and the schooner; that immediately upon discovering said schooner, the helm of the Java was put hard to starboard, and her engines were reversed at full speed, and that all that was possible to be done was done aboard the Java to avoid the collision; that at the time of the collision the speed of the steamer was so reduced as not to be equal to that of the schooner drifting with the tide. They also contend that there was fault on the part of those in charge of the schooner, in allowing her to drift, without being under steerage-way, and without sail set, and concealed by the ship George M. Barnard, into the way of the steamship; and that

if the schooner had been under sail so as to have answered her helm, she might, by putting her helm to starboard, even after the schooner was discovered by the steamship, have avoided the collision. The answer also claimed exemption of the steamship from liability by reason of her being an inward-bound ship, in sole charge of a pilot, taken on board under a compulsory statute of Massachusetts. This ground of defence was not relied upon in argument, it not being considered an open question in this Circuit since the decision in *Camp v. Marcellus*, 1 Cliff. 481.

The undisputed facts in the case are, that the schooner, between the hours of twelve noon and one of the afternoon of Nov. 7, 1866, was towed from one of the wharves in East Boston into the stream, and was getting under way near the school-ship George M. Barnard, having her foresail partly hoisted, when her master saw the Java coming round the stern of the George M. Barnard, heading directly towards the schooner. The schooner's helm was put hard a-starboard. The steamer was proceeding very slowly, having stopped her engines a short time before in order to avoid a collision with another schooner which had passed down the harbor inside of the George M. Barnard and ahead of the James McCloskey. Immediately upon seeing the McCloskey, the helm of the Java was put hard to starboard and her engines were reversed; but the steamer struck the schooner abaft of the main rigging and knocked a hole in her, whereby the cargo of linseed was damaged. The weather was clear and fine, with a good breeze from a westerly direction. The tide was from one to two hours ebb, running from one and a half to two knots an hour. The Java, a propeller steamer of twenty-seven hundred tons burden, three hundred and sixty feet in length, drawing about nineteen feet of water, was coming up the harbor to her dock in East Boston. The McCloskey was a fore-and-aft schooner, one hundred and twenty-one feet long, proceeding down the harbor from her wharf at East Boston.

The school-ship is a large vessel, light and high out of the water, which, during the winter months, was kept constantly moored near the East Boston side of the channel, leaving a large space on the outside between her and Boston, and a comparatively narrow passage on the other side between her and East Boston. Vessels of the size of the Java rarely take this passage, because they could not pass inside of the school-ship, excepting at

or near high water. But the evidence shows that, at the state of the tide at the time of the collision, it would be prudent and safe for a vessel of the size of the Java to go through that passage, if it was unobstructed by other vessels.

It is contended, on the part of the libellants, that the Java was in fault in coming up as she did to a point about midway of the channel, "about abreast the Slate Ledge," and "a little above the Slate Ledge Buoy," before she determined whether to go inside or outside the school-ship, instead of keeping a course up the harbor more nearly parallel with that in which the school-ship was lying, so as to keep open the view of the channel inside the school-ship. But, as well stated by the learned judge of the District Court in his opinion in this case, "whatever direction she had taken, the school-ship would have shut out some points of the compass, and there was no reason to apprehend danger from one point more than from another."

It is also contended that the Java pursued an unusual course in attempting to go to her dock by the passage between the school-ship and the Bird Island Flats. Much testimony has been taken in the case upon the frequency of the use of this passage by steamers of the class of the Java, and there is much conflict in the testimony. But it becomes comparatively immaterial in this case in the view we take of it, for two reasons: First, a vessel is not to be considered in fault merely because she takes, for reasons of her own convenience or necessity, an unusual course; but when there is a usual and an unusual course, the vessel taking the unusual course for her convenience does it at her peril, and is bound to see that she does it in safety. *The Fyenoord*, Swabey, 374; *The Peerless*, Lush. 31; *The Falkland*, Br. & Lush. 204; *The Roanoke* (N. Y. & Va. S. S. Co. v. *Calderwood*), 19 How. 241. Secondly, The collision might and would have happened as it did had the school-ship been anchored in any other place, provided the relative positions of the three vessels in reference to each other had been the same.

It therefore seems properly to resolve itself into a consideration of the duties and liabilities of a steamship running under the stern of a vessel at anchor, at an acute angle, considered in reference to the possibilities and probabilities of a small sailing-vessel passing at the same time behind the vessel at anchor, which was so large and high out of water as to intercept the view of a small

schooner, tug-boat, or flat-boat, in a channel or passage much frequented by small vessels.

It is urged that the steamer under these circumstances proceeded very slowly and with a vigilant lookout, and therefore, as the schooner was not seen from the steamer in season for those in charge of the steamer to avoid the schooner, the collision must be considered in the light of an inevitable accident.

But it seems very difficult to apply the term "inevitable accident" to a collision occurring under such circumstances, at mid-day and in fine weather. The steamer was not disabled; and nothing happened which she was not bound to anticipate as possible at least, if not probable. A collision is properly regarded as the result of inevitable accident, "which occurs when both parties have endeavored by every means in their power, with due care and caution and a proper display of nautical skill, to prevent its occurrence." *Union S. S. Co. v. Va. S. S. Co.*, 24 How. 313. "If," says Dr. Lushington in *The Plato v. The Perseverance*, "the accident could have been avoided by ordinary skill, diligence, and precaution, then it is not an inevitable accident." There is always a period of time before the actual collision when it is inevitable, — when skill, diligence, and precaution are unavailing, — because too late. "Precautions," says Mr. Justice Clifford in the case of *The Governor*, 1 Cliff. 93, "must be seasonable in order to be effectual; and if they are not so, and a collision ensues in consequence of the delay, it is no defence to say that the necessity for precautionary measures was not perceived until it was too late to render them availing."

The school-ship for many years had been constantly, during the winter months, kept moored in the same position near the edge of the channel. She was large and high out of water. The pilot of the Java knew her position, and that the view of a small sailing-vessel might be shut out by the school-ship. The steamer was bound to guard against the emergency. If she went under the stern of the school-ship at an acute angle, under such circumstances she was bound by law to proceed so slowly and with so much vigilance that she could keep out of the way of a sailing-vessel. Any degree of speed or any want of vigilance which left her powerless to prevent a collision with a sailing-vessel after it was seen, which she had a right to expect to meet in the position in which it was seen, was a want of seasonable and proper precaution, and therefore a fault.

It is said a man may drive round the corner of a road, if that is the most convenient way home, though he ought to do it slowly and with more than ordinary care if he cannot see what is on the other side. But suppose one man is driving round the corner of a road where the view is obscured by a high wall or building, and has reason to suppose that there may be coming round the corner in an opposite direction another who has a paramount right of way, who has a right and is under obligation to keep his course, while the first man is bound to keep out of his way. Would not this case better illustrate the relative positions of a vessel under steam and one under sail under such circumstances, and in each case would there not exist an obligation to see a clear course before proceeding?

Although, in the case of *The Isaac Newton*, 18 How. 581, the sails of the schooner were hoisted so as to have been visible over the hull of the vessel at anchor, and in that respect it is distinguishable from the present case, yet the decision was placed by the court on the ground that the attempt of the steamer to come to her landing between vessels at anchor, without first ascertaining that the track was clear, was culpable, and on that ground she was condemned in damages.

If the night be too dark to distinguish a small vessel in season, a large steamship should not attempt to go down the harbor. *The R. B. Forbes*, 1 Sprague, 329. It is not easy to see why the principle is not the same whether the view be intercepted by any large object at rest or obscured by darkness.

To hold the steamer free from fault under these circumstances would be to relax the rule well settled in the decisions of the courts of the United States, introducing conflict where there is now uniformity of decision, and establishing a precedent which might lead to danger. See *Oregon v. Rocca*, 18 How. 570; *St. John v. Paine*, 10 How. 583; *The Genesee Chief*, 12 How. 461; *S. S. Co. v. Rumball*, 21 How. 372; *The Carroll*, 8 Wall. 302; *The Rapid*, opinion of Blatchford, J., U. S. Court, S. Dist. of New York (not reported).

The Java voluntarily and for her own allowable convenience placed herself in a position where, meeting a small vessel in a place not unusual, and where such a meeting might reasonably have been expected, she could do nothing by her machinery, her anchors, or her helm, to avoid the collision.

* We do not perceive that any fault is fairly imputable to the schooner. She came from the dock without her sails being set, because they forced her against the wharf. She obtained the assistance of a tug to pull her out into the stream; and with the aid of the tug and the tide came down rapidly to the vicinity of the school-ship, and was setting her foresail, and had it from half to two-thirds up, when she saw the Java. There is no sufficient proof of any unusual or negligent delay in hoisting the sails, or of her being in fault in any other respect.

*Decree of District Court reversed. Decree to be entered for libellants. Case to be referred to a master to assess damages.**

OCTOBER, 1870.

ENOCH PIPER v. JAMES BROWN *et al.*

A patent for a method of preserving fish or other articles in a close chamber by means of a freezing mixture having no contact with the atmosphere of the preserving chamber, is a patent for an art.

An inventor or discoverer of a new and useful art may have a valid patent for his invention or discovery, although he is ignorant of the philosophical or abstract principle involved in the practice of the art.

In defence to a suit on a patent for a process, it is not sufficient to prove the existence before the patented invention of an apparatus which could have been used so as to practise the patented process. It must appear affirmatively that such apparatus was actually so used.

A single experimental use of an apparatus, afterwards destroyed, in such way as to involve the practice of a certain process, does not prevent a subsequent original inventor or discoverer of the same process from having a valid patent therefor.

A patent is to be construed without reference to previous correspondence with the Patent Office in relation thereto or rejected applications therefor.

BILL in equity for an injunction to restrain alleged infringement of letters-patent granted to and owned by the complainant; and for an account. The material facts of the case are stated in the opinion.

Causten Browne, I. J. Cutter, Jabez S. Holmes, for complainant.

B. R. Curtis, Edward Avery, for defendants.

[* Reversed on appeal to U. S. Supreme Court, 14 Wall. 189.]

SHEPLEY, J. The complainant, in his amended bill, avers: First, That he invented a certain improvement in the method of preserving fish and other articles, for which he obtained letters-patent of the United States, dated March 19, 1861. Second, That he afterwards invented "an improvement in apparatus for preserving animal and vegetable substances," for which he obtained letters-patent, dated Aug. 5, 1862. He also alleges that the respondents, without his permission or knowledge, have erected and used at Charlestown a certain apparatus for preserving fish and other articles, containing substantially the invention patented to him by the letters-patent dated March 19, 1861, and also that patented to him by the letters-patent dated Aug. 5, 1862.

The respondents, in their answer, deny that complainant was the original and first inventor either of the method described in his first, or the apparatus described in his second, patent. They also deny any infringement of the patents of complainant, and claim that the apparatus constructed and used by them at Charlestown was substantially different from complainant's inventions, and was constructed under and according to an invention made by Charles F. Pike, and secured to him by letters-patent dated June 12, 1866. They deny that there is in the Charlestown apparatus "any close chamber," but aver that the air of the preserving chamber comes directly in contact with the ice or freezing mixture.

It is unnecessary to go into a minute examination of that portion of the proof in the record which refers to the second patent of the complainant and the apparatus therein described, as complainant does not contend that the apparatus constructed by the respondents is included in the terms of the claims of the patent of Aug. 5, 1862, even if it does embrace the invention therein described.

The patent of March 19, 1861, is not for the apparatus therein described. It is not a patent for any "machine, manufacture, or composition of matter." It must be sustained, if it be sustained, as a patent for an "art." The statute term "art," used as it is in the statute in the sense of the employment of means to a desired end, or the adaptation of powers in the natural world to the uses of life, is perhaps a better term than the word "method" used by the patentee, or the word "process," the term of descrip-

tion used by the experts. A process *eo nomine* is not made the subject of a patent in the act of Congress. An art may require one or more processes or machines in order to produce a certain result or manufacture. *Corning v. Burden*, 15 How.-252. It is for the discovery or invention of some practical method or means of producing a beneficial result or effect that a patent is granted, not for the result or effect itself. "Process" or "method," when used to represent the means of producing a beneficial result, are in law synonymous with "art," provided the means are not effected by mechanism, or mechanical combinations.

The term "machine" includes every mechanical device, or combination of mechanical powers and devices, to perform some function and produce a certain effect or result. But when the result or effect is produced by chemical action, or by the application of some element or power of nature, or of one substance to another, such modes, methods, or operations are called processes. *Corning v. Burden*, 15 How. 252.

It follows, from the law as expounded by the Supreme Court of the United States in *Corning v. Burden*, and in *O'Reilly v. Morse*, 15 How. 62, — where the true distinction between a principle and a process is clearly defined in the explanations given by the court of the case of *Neilson v. Harford*, — that where a result or effect is produced by mechanical action, the patent can ordinarily only be for the mechanical appliances or means employed: where the result is attained or effect produced by chemical action, by the operation or application of some element or power of nature, or of some property in matter, or of one substance to another, then the patent may be for the art, process, or method. It is essential to the validity of the process as an invention, to show how it may be adapted to practical use. In showing this, the inventor may describe mechanical means of applying, or peculiarly shaped vessels for containing, any of the ingredients used in his process or art. But they constitute no part of his invention. Another person may discover new and useful means of applying or using the inventor's process, and be entitled to a patent for that improvement, without the right to use the process. So the inventor himself may discover such new means or invent new appliances, which may be the subjects of a patent to him, separate and apart from his patent for the art itself.

The complainant's bill claims as his invention an "improvement in the method of preserving fish and other articles." The method claimed is described as "a method of preserving fish or other articles, by placing them within a chamber and cooling the latter by means of a freezing mixture, so applied that no communication shall exist between the interior of the preserving chamber and that of the vessels in which the freezing mixture is placed." The patent describes it as "a new and useful method of preserving fish." The claim in the patent is, "preserving fish or other articles in a close chamber by means of a freezing mixture having no contact with the atmosphere of the preserving chamber, substantially as set forth."

Although a different construction is contended for by the respondents, and even the expert examined by the complainant seems to construe the claim and describe the invention in some respects inaccurately, the claim appears to the court to describe clearly, and in language incapable of misconstruction, what is claimed as the new and useful art or method. It is not that the patentee claims to have discovered the fact that no decay takes place in animal tissues as long as they are kept a few degrees below the freezing-point of water, nor does he claim to have invented any means of producing artificial congelation. The active agent for producing congelation, and the effect of congelation on animal substances, were well known. But he claims that he was the first to discover and reduce to practice an art of producing and continuing this artificial congelation upon animal substances, enclosed in a chamber with non-conducting walls, which chamber was a close chamber; that is, having no communication with the outer or surrounding atmosphere, and so constructed also that no communication shall exist between the interior of the preserving chamber and that of the vessels in which the freezing mixture is placed. This claim is not limited to a method of supplying and renewing the frigorific mixture without exposing the animal substances in the preserving chamber and the atmosphere itself in the preserving chamber to change of temperature from contact with the outer atmosphere, while the active agent of congelation—the frigorific mixture—is being supplied. It proceeds upon the further and broader ground, that an injurious effect upon the animal substances to be preserved results from the presence in the preserving chamber itself of the salt and ice, or other freezing

mixture, affecting the atmosphere of the preserving chamber. The patentee proposes to preserve animal substances in an atmosphere not materially affected by the temperature of the external atmosphere surrounding the chamber, because the atmosphere in which the animal substances are placed is confined by non-conducting walls in a close chamber, and, what is more important, in an atmosphere "freezing," because reduced to a low temperature by contact with the exteriors of the pipes containing the frigorific mixtures, and "dry," because free from contact with the freezing mixture itself. His claim is for the method of "preserving fish or other articles in a close chamber by means of a freezing mixture having no contact with the atmosphere of the preserving chamber, substantially as set forth."

It becomes necessary to determine the date of the complainant's invention.

It clearly appears, from the evidence in the case, that in June, 1858, the complainant devised an apparatus by which the freezing mixture should be kept in such a way as to be separate from the atmosphere of the preserving chamber. The preserving chamber in this apparatus consisted of a hogshead surrounded by a casing of wood, leaving a space of a foot or more between the casing and the hogshead, which was filled with some non-conducting substance. A cast-iron tube of about ten inches in diameter was placed in the centre of each hogshead, fastened to the lower head by a flange, and making a water-tight joint between the iron and wood where it passed through the head of the hogshead; and also a water-tight joint between the lower end of the vertical iron tube and the bottom of the casing. The upper end of the tube projected six inches beyond the cover of the hogshead when the cover was on.

It is not seriously controverted that the complainant devised and constructed this apparatus in June, 1858. Nor can it be successfully urged that it did not in fact separate the air of the preserving chamber from contact with the freezing mixture. It is, however, claimed that Piper at this time had not conceived the idea of any advantage in such separation, apart from the convenience of renewing the supply of the freezing mixtures without admitting the surrounding atmosphere into the preserving chamber. This is equivalent to saying, that, while his contrivance accomplished the result of preserving fish and animal

substances in the mode set forth in his *caveat*, and subsequently in his specification and claim, a useful result of a new process, he was unacquainted with the philosophy of his discovery. Upon the hypothesis that this were so, that by a series of experiments he had discovered only that this process, applied exactly in the mode described, produced the desired result, and the process was new and the result useful, but that he did not understand why the mixture of salt and ice produced a freezing mixture, or why the effect of contact of that freezing mixture with the atmosphere surrounding the fish to be preserved was injurious; yet if he had discovered the practical mode, and contrived the practical means of accomplishing the result, he might be entitled to a patent for his new and useful art, although ignorant of the philosophical or abstract principle which was involved in the exercise of the art itself. The discovery of the philosophical or abstract principle alone would not have been the subject of a patent. The thing to be patented is not the elementary principle, but the principle applied to some art, machine, manufacture, or composition of matter. *Earl v. Sawyer*, 4 Mas. 1.

Applying these principles to the facts in this case, and after a careful consideration of the evidence, we are not satisfied that there is any sufficient proof in the case that any other party had anticipated the complainant's invention. In the months of June and July, 1858, Piper appears to have reduced to practice his invention, by freezing fish and preserving them until the following December, in the apparatus constructed by him in June.

Whitson's apparatus was not constructed and used until the fall of 1860. There is much conflicting testimony in relation to the use by Joseph H. Racey of an apparatus like that described in the complainant's second patent. As the complainant does not in this case rely upon his second patent, it becomes immaterial to determine whether the apparatus which Racey claims that he constructed in a cellar under Centre Market in New York was constructed, as he claims, in the latter part of 1859, or, as the complainant contends, in 1862. If we were to assume the truth of Racey's statement, that it was built in the latter part of 1859, that is more than a year after Piper's invention of the process described and claimed in his first patent.

John Good obtained a patent, Aug. 17, 1843, which was re-issued Sept. 12, 1854, for preserving the bodies of deceased

persons in a cold-air chamber, and not allowing the ice to come into immediate contact with the body. The apparatus patented by Good, and used by him, and exhibited in this case, was not designed and intended to prevent any contact of the atmosphere surrounding the body with the freezing mixture or with the ice. It was designed to prevent the ice or freezing mixture from coming in contact with the body itself. But the contact of the atmosphere surrounding the body with the ice or ice and salt in the bottom of the pan was provided for by the perforated false bottom upon which the body rested. This false bottom prevented the contact of the body itself, and secured the contact of the atmosphere surrounding the body with the freezing mixture, when a frigorific mixture was used in the bottom of the pan.

Good's apparatus was capable, however, of being used in a manner different from the use described in his patent, or in the directions given for its use by him to purchasers of his apparatus. By omitting the use of any freezing mixture in the bottom of the pan, and using it only in the receptacle above the preserving chamber in such a manner that the air of the preserving chamber did not come in contact with the ice and salt above, it was capable of a use which involved the practice of the process described in the complainant's first patent.

But this patent being for a process, and not for any apparatus, to deprive the complainant of the benefit of his invention it is not sufficient to show that any previously existing apparatus could have been used to practise the complainant's process. It must appear affirmatively to the satisfaction of the court or jury that it actually was put to such practical use before the date of Piper's invention.

One witness, John Peak, testifies substantially to such a use of the Good apparatus; but he cannot fix the date of his purchase earlier than 1857, and his use of it in any mode until two or three years after he purchased it, and fixes no date of the use of it in this particular mode. The testimony of Swartz, the other witness, is also indefinite as to date, and leaves it, to say the least, uncertain whether he ever reduced the atmosphere in the chamber below the freezing-point of water. This object was not to freeze the body so as to preserve it for any length of time, but only, by partially freezing the surface, to arrest the progress of decomposition and prevent offensive exhalations.

Charles F. Pike, in the course of sundry experiments which he made with refrigerators, appears in one instance to have arranged an apparatus with which the plaintiff's process was once practised; but it was used only once as an experiment, and abandoned, and the parts used for other purposes. As the knowledge of this experiment was not communicated to Piper, and it was a mere experiment thus abandoned, it could be no obstacle to the right of Piper to take out a patent for his process. *Cahoon v. Ring*, 1 Cliff. 592.

The process of Benjamin and Grafton, described in their English patent, enrolled July 27, 1842, differs from the complainant's in many of its features, but particularly in this essential feature: that in the Benjamin and Grafton patent there is no description that the freezing mixture contained in the vessels in the preserving chamber is to be kept free from contact with the atmosphere of the chamber itself.

It is clear that the language of Piper's patent excludes the use of salt and ice in the same chamber with the fish to be preserved. A statement that he contemplated such use appears to have been inserted in his original application for his first patent, and stricken out from the amended specification on which the patent was granted. Such a use formed no part of his invention. In his original application, this use of salt and ice was confined to the box for freezing, and was not made applicable to the chamber for preserving for a length of time the substances previously congealed.

The patent must be construed without reference to the previous correspondence and previously rejected applications, which cannot aid in its construction, especially as the patent issued correctly describes the complainant's invention.

The apparatus, as first used by the defendants at Charlestown, contained a preserving chamber, the air of which had no contact with the freezing mixture, and it was used for the purpose of preserving animal substances by reducing the air in that chamber, by means of the freezing mixture, to a temperature below the freezing-point of water, and in all respects appears to have involved the use of the process patented to the complainant.

The complainant is entitled to an injunction, and to an account, as prayed for in the bill of complaint. The cause is to be referred to a master to ascertain the amount. Let the decree be prepared accordingly.

*Decree for injunction and account.**

[* Reversed on appeal to U. S. Supreme Court.]

NOVEMBER, 1870.

ALBERT M. PECK *et al.* v. EMIL SCHULTZE *et al.*

A court of equity will not, on bill of the members of a partnership, decree the return of partnership property attached in a suit of a creditor of one of the partners against him, and enjoin the attaching officer from further interfering with the property, unless it appears that it is needed to satisfy the claims of the partnership creditors, or that the partner sued has not an interest in the surplus which may remain after payment of the partnership debts.

BILL in equity by two partners to compel the return of certain liquors, alleged to be the property of the partnership, attached and seized by the marshal, one of the defendants, in an action at law brought by the other defendants against one of the partners to recover the amount of a claim against him; and to enjoin the marshal from further interference with the property. The defendants demurred to the bill, and the cause was heard on the demurrer.

R. M. Morse, Jr., E. P. Brown, for complainants.

Oliver Stevens, for defendants.

SHEPLEY, J. The bill of complaint alleges that the complainants are copartners under the name and style of A. M. Peck & Co.; that they are the owners of a large quantity of domestic liquors; that the defendant, George L. Andrews, the Marshal of the United States for the District of Massachusetts, has attached the liquors upon a writ in favor of Emil Schultze and Robert Sailer against Albert M. Peck, claiming that the liquors were the property of said Peck; that he unjustly detains the liquors, and threatens to remove them from complainants' store. Complainants pray for a decree that Andrews may return the liquors, and for an injunction to restrain him from further interfering with said property.

By the rules of law as formerly held in England, the sheriff, under an execution against one of two copartners, took the partnership effects, and sold the moiety of the debtor, treating the property as if owned by tenants in common. *Heydon v. Heydon*, 1 Salk. 392; *Jacky v. Butler*, 2 Ld. Raym. 871. The law is now well settled in England, that a separate creditor can only take and sell the interest of the debtor in the partnership property, being his share upon a division of the surplus, after the partner-

ship debts are paid. *Fox v. Hanbury*, Cowp. 445; *Taylor v. Fields*, 4 Ves. 396. This latter rule is the one now more generally adopted in the United States.

The rule in Massachusetts, giving a priority to the partnership creditor in such cases, was settled in the case of *Pierce v. Jackson*, 6 Mass. 242, and has been uniformly followed since. *Allen v. Wells*, 22 Pick. 450. The effect of this rule, that the only attachable interest of one of the copartners at the suit of a separate creditor is the surplus of the joint estate that may remain after the discharge of all the joint demands upon it, necessarily creates a preference in favor of the partnership creditors in the application of the partnership property.

The creditor of the individual partner may attach his interest in the partnership property; but the attaching officer will be bound in the application of the property, or its proceeds on execution, to give priority to the partnership creditor.

In the case of *Cropper v. Coburn*, 2 Curtis, 465, the complainants, forming a partnership under the style of Hemsley & Cropper, brought their bill in equity against a creditor of one of the parties and the officer who had attached the property of the firm, for a private debt and liability of Francis Hemsley, one of the partners. The bill in that case alleged that large claims and debts and liabilities were outstanding against the firm of Hemsley & Cropper, and more than sufficient to absorb all the partnership property of said firm and the interest of said Hemsley in said copartnership; and that, after the payment of said partnership debts, no surplus or interest would remain to the credit of said Hemsley; and that the merchandise attached was required to pay and discharge the debts and liabilities of the copartnership.

The demurrer to this bill was overruled, on the ground that, as the allegations in the bill were admitted by the demurrer, it appeared that the partner against whom the suit was brought had no ultimate interest in the partnership property. As the validity of the attachment must depend upon the debtors having such an interest in the property that something would pass by a sale of his interest on execution, and in this instance there was no interest to sell, it follows that, by the rule of law established in Massachusetts, there was no interest to attach.

The bill of complaint in this case does not contain any averments that there are any partnership liabilities, or that the assets

of the firm are needed to satisfy the claims of partnership creditors; nor is there any averment that the partner against whom the suit is brought has not an ultimate interest in the partnership property, and a share of the surplus which may remain after the payment of partnership debts and liabilities. If he has such an interest, it may lawfully be attached and sold on execution.

The bill in this case does not present a case for relief in equity, and the demurrer is sustained.

Bill dismissed without prejudice, and with costs for defendants.

DECEMBER, 1870.

SETH ADAMS, Petitioner in Bankruptcy v. THE BOSTON, HARTFORD, AND ERIE RAILROAD COMPANY.*

A railroad corporation is a "business" corporation within the meaning of the thirty-seventh section of the bankrupt act of 1867.

MOTION to dismiss, for want of jurisdiction, a petition in bankruptcy filed against the Boston, Hartford, and Erie Railroad Company.

B. R. Curtis, B. F. Brooks, for the motion.

B. F. Butler, C. S. Bradley, for petitioner.

SHEPLEY, J. This is a motion to dismiss the petition in this case, upon the ground that railroad corporations are not included within the provisions of the thirty-seventh section of the bankrupt act, and not subject to the process provided by the act, and that therefore this court has no jurisdiction in bankruptcy to entertain this petition.

The first ground of objection to the jurisdiction of the court is, that a railroad corporation is a public corporation, created for a public purpose, and bound to the State for the performance of a public duty. The thirty-seventh section of the bankrupt act provides as follows: "The provisions of this act shall apply to all moneyed, business or commercial corporations and joint-stock com-

[* This case was decided in the District Court.]

panies." Sect. 58 enacts: "The word 'person' shall also include corporations." Sect. 58 is not, however, to be construed as applying the word "person" to include any other corporations as subject to the provisions of the act than those described in the thirty-seventh section. Public corporations, created for municipal or political purposes, and such private corporations as are ecclesiastical, or eleemosynary, or established for the advancement of learning, are clearly not made subject to the provisions of the act. Private corporations are divided into ecclesiastical and lay. Lay corporations are divided into civil and eleemosynary. Civil corporations are created for an infinite variety of purposes; such as affording facilities for obtaining loans of money, the making of canals, turnpike roads, and the like.

The words of the thirty-seventh section, "moneyed, business or commercial corporations," would seem to have been intended to embrace all those classes of corporations that deal in or with money or property in the transactions of money business or commerce for pecuniary gain, and not for religious, charitable, or educational purposes. Accordingly, district courts of the United States in various districts have treated manufacturing, mining, and similar corporations, and in one circuit at least, railway corporations, as subject to be dealt with under the provisions of the bankrupt act.

But it is contended that the public purposes for which railways are created, and the public duties they are bound to perform, make them public corporations; and therefore such a construction should be given to the words of the statute as would exclude them from its operation. In the popular meaning of the term, nearly every corporation is public, inasmuch as they are created for the public benefit. But if the whole interest does not belong to the government, or if the corporation is not created for the administration of political or municipal power, the corporation is private. "Strictly speaking," says Mr. Justice Story, in *Dartmouth College v. Woodward*, 4 Wheat. 669, "public corporations are such only as are founded by the government for public purposes, where the whole interests belong also to the government. If, therefore, the foundation be private, though under the charter of the government, the corporation is private, however extensive the uses may be to which it is devoted, either by the bounty of the founder or the nature and objects of the institution. . . .

A bank whose stock is owned by private persons is a private corporation, although it is erected by the government, and its objects and operations partake of a public nature. The same doctrine may be affirmed of insurance, canal, bridge, and turnpike companies. In all these cases the uses may, in a certain sense, be called public; but the corporations are private, as much so, indeed, as if the franchises were vested in a single person."

The case of *Treadwell v. Salisbury Manufacturing Co.*, 7 Gray, 393, 404, cited as an authority in support of the position that this is a public corporation, is not, in fact, in conflict with the opinion of Mr. Justice Story just quoted. In the learned opinion of Judge Bigelow, in that case, he does refer to "corporations established for objects *quasi* public, such as railway, canal, and turnpike corporations;" but he does not describe them as public corporations, but only as corporations established for objects *quasi* public. Neither upon principle nor authority can this corporation be properly classed among public corporations, or on that ground exempted from the operation of the bankrupt act.

It is further contended, however, that the legislature of Massachusetts, in creating this corporation, has subjected it to certain duties and liabilities; that these liabilities are not transmissible, that these duties cannot be delegated, that the corporation cannot divest itself of the power it has of performing those duties; "that it is a Massachusetts corporation, a creature of the laws of Massachusetts, placed under the supervision of the authorities and the courts of Massachusetts, and liable to perform certain duties which, by the laws of Massachusetts, cannot be performed by any person to whom its property may be transferred or its franchises delegated."

The force of this argument, which seems to apply solely to Massachusetts corporations, and to claim the application to Massachusetts railroad corporations of a special exception from the operation of the bankrupt act, independent of and distinct from any rule which may apply to railway corporations existing under the laws of other States, is somewhat impaired by the fact that the duties of this corporation have been delegated, and are now delegated, by the action of the Supreme Court of Massachusetts, to a board of receivers; that by the action of the same distinguished tribunal this corporation has been and now is in fact divested of the power of performing its public duties, and that it is not

now, by reason of the action in the premises of the highest judicial tribunal in the Commonwealth, in the possession or exercise of its franchises, so far as those franchises confer upon it the power to build, operate, and control the railroad. And we look in vain into the legislation of Massachusetts for any indication of public policy to exclude the property of railroad corporations, or such of their franchises as are in their nature assignable and transmissible, from the liability to be taken by due process of law and applied to the payment of corporate debts.

East Boston Freight Railroad Co. v. Hubbard, 10 Allen, 459, note, is a case where the Grand Junction Railroad and Depot Company became insolvent, and George W. Gordon, a creditor, recovered judgment; and the sheriff levied his execution upon the franchise, and sold the same, with all the rights and privileges so far as related to the receiving of tolls for the term of ninety-nine years. The title of the purchaser at the sheriff's sale was upheld by the court.

A corporation, created for the purpose of constructing, owning, and managing a railroad, cannot, it is true, make any alienation of its general franchise to be a corporation, or its subordinate franchises to manage and carry on its corporate business, without distinct legislative authority. Such is the law in England. *Winch v. The Birkenhead R. Co.*, 13 Eng. L. & Eq. 506; *South Yorkshire Co. v. Great Northern R. Co.*, 19 Eng. L. & Eq. 513; *Shrewsbury and Birmingham Co. v. The London and Northwestern Co.*, 21 Eng. L. & Eq. 319; and in Massachusetts, *Hendee v. Pinkerton*, 14 Allen, 381; *Richardson v. Sibley*, 11 Allen, 65; *Commonwealth v. Smith*, 10 Allen, 455.

This distinct legislative authority for the alienation of the assignable and transmissible franchises of railroads to carry on their business of managing a railroad and taking tolls has been freely accorded in Massachusetts; and the public policy of the Commonwealth embodied in its legislation allows a creditor to sell these franchises on execution, and permits the corporations, within prescribed limits, to alienate them for the payment of debts or the security of creditors. Gen. Stats. of Massachusetts, chap. 63, sect. 120 *et seq.*; chap. 68, sects. 25, 26.

It is contended that the authority given in the Massachusetts statute to attach and levy on "the franchise of a turnpike or

other corporation authorized to take tolls" does not include railroad corporations; that the words "authorized to take tolls" are only applicable to turnpike, canal, lock, and bridge corporations, and not to railroads. An examination, however, of the legislation of Massachusetts will show that "an authority to take tolls" is given as one of the franchises of railroad corporations, and that similar words of description of such a franchise are found in all the general and special laws relating to such corporations. Similar words are also used as apt words of description in the judicial decisions of Massachusetts and other States, and in the decisions of the courts of the United States. Chap. 63, sect. 112, Gen. Stats. of Massachusetts, relating to railroad corporations, provides, "Each corporation may establish, for its sole benefit, a toll upon all passengers and property conveyed or transported on its road." This form of expression is found in all the early railroad charters in this country; and has been continued in use, so far as we are able to discover, to the present time. Sect. 5 of the act to establish the Boston and Lowell Railroad corporation enacts, "that a toll be and hereby is granted and established, for the sole benefit of said corporation, upon all passengers and property of all descriptions which may be conveyed or transported upon said road." The same right to take toll is conferred in the charter of the Boston and Providence Railroad, and continued in use in the charters granted to other railroads until embodied in the general legislation respecting railroad corporations; after which the charters of many railroad corporations, and among others of those whose franchises have been since transferred to the Boston, Hartford, and Erie Company, contained provisions conferring upon them the rights and subjecting them to the liabilities provided in the thirty-ninth and forty-fourth chapters of the Revised Statutes. Chap. 39, sect. 83, Revised Statutes of 1836, provides, "Every such corporation may establish, for their sole benefit, a toll upon all passengers and property," &c.

If, therefore, the questions had not been previously decided by the Supreme Court of Massachusetts, whose decision this court would adopt on a question of the construction of a statute of the State, we should have no hesitation in deciding that railroad corporations were subject to the provisions of the twenty-fifth and twenty-sixth sections of the sixty-eighth chapter of the Gen. Stats. of Massachusetts, as "corporations authorized to take

tolls." The Supreme Court of the State has so considered the law in the cases before cited.

But it is not believed that the question, whether railroad corporations are subject to be dealt with under the provisions of the bankrupt act, is one the solution of which is dependent upon the special provisions of the statutes of the several States regulating the transfer of the corporate property or franchises, or the mode of applying them to the payment of the corporate debts.

The grant of constitutional power to Congress to establish uniform laws on the subject of bankruptcies throughout the United States is general in its terms and unlimited. It was not doubted, at the argument on this motion, that it applied as well to corporations as to natural persons. The only question which can arise is, whether Congress has, by appropriate legislation in the exercise of its powers conferred by the Constitution, rendered railroad corporations subject to the provisions of the act.

As the system of bankruptcy is to be uniform throughout the United States, the solution of this question must depend upon the construction of the terms of the act itself, and not upon the particular legislation of the several States.

"The provisions of this act shall apply to all moneyed, business or commercial corporations." To attempt to limit the word "business" in this clause of the statute, so as merely to be synonymous with "trading," would deprive it of any meaning beyond that included in the other words "moneyed and commercial." A trading corporation is a commercial corporation. The word "business" has a broader meaning as applied to corporations. *Harris v. Amery*, L. R. 1 C. P. 154. A railroad corporation is chartered to conduct the business of a common carrier of passengers and merchandise. Is there any principle of public policy which would require that the plain provisions of the statute should receive such a judicial construction as would exclude this class of corporations?

We have already seen that the public policy of the State in which this corporation exists allows the alienation of the franchises and property of railroad corporations for the payment of their debts. The inconveniences attending such alienations are obvious. But as the argument *ab inconvenienti* has not been sufficiently strong to prevent the State from allowing these franchises to be sold, and the proceeds of the sale applied in payment of the

debts of the first attaching creditors, it certainly does not apply with greater force to a statute providing for the more equitable division of the proceeds among all the creditors.

The franchise which authorizes a number of persons to be incorporated and subsist as a body politic, with power to maintain perpetual succession, is not alienable or transferable without direct and positive legislative authority. This is the franchise to be a corporation. It is the life of the corporation. Coupled with the grant of this franchise of corporate existence are the grants to the corporation of those franchises to carry on the corporate "business;" which are grants of valuable privileges, and which, in the case of most private corporations, may be transmitted (as the history of this corporation shows they have been transmitted repeatedly) from one corporation to another, or to individuals, without great detriment to any public objects for which they were created.

This distinction between those franchises of a corporation which are inalienable without a positive provision of law, and those possessing nothing in their nature inconsistent with their being transferred or assigned, has never been more clearly defined than in the learned opinion of Mr. Justice Curtis, in the case of *Hall v. Sullivan Railroad Co.*, 21 Law Reporter, 138. "The franchise to be a corporation is therefore not a subject of sale and transfer, unless the law, by some positive provision, has made it so, and pointed out the modes by which such sale and transfer may be effected. But the franchises to build, own, and manage a railroad, and to take tolls thereon, are not necessary corporate rights: they are capable of existing in and being enjoyed by natural persons, and there is nothing in their nature inconsistent with their being assignable."

The grantee of the franchises of a corporation to operate a railroad can acquire no greater rights than the corporation itself has by the terms of the charter. The purchaser must take his title subject to all the conditions of the original grant, and subject to all duties and liabilities to the State, the public, and individuals, none of whose rights can be impaired by the transfer.

It does not appear to us that there are any such inherent difficulties in the way of the sale and transfer of the property and franchises of a railroad, subject to these conditions and limitations, as would require us to give such a construction to the

statute as would exclude the corporations from the operation of that clause of the bankrupt act a literal construction of which clearly renders them liable to be dealt with under its provisions.

Motion to dismiss the petition overruled.

FEBRUARY, 1871.

JOHN W. JONES *et al.* v. WILLIAM HODGES *et al.*

A preliminary injunction will not be granted to restrain infringement of letters-patent where upon the evidence, the court entertains strong doubts as to the novelty of the patented invention.

The application of a peculiar process previously patented and used for preserving animal and vegetable food and other perishable articles, the vegetable substances to be preserved being taken in a raw or crude state, to the preserving of green corn, is not a patentable invention, although the corn is cut from the cob before it is preserved.

MOTION for preliminary injunction to restrain infringement of letters-patent granted Isaac Winslow, for improvements in preserving green corn, dated April 8, May 13, May 20, Aug. 26, 1862.

W. H. Clifford, for complainant.

Chauncey Smith, Avery & Hobbs, and *R. K. Sewall*, for defendants.

LOWELL, J. Two of the counsel in this case being out of the district, I will put in writing, very briefly, the views which govern my action on this motion for preliminary injunction.

As much evidence has been put in as is brought forward at many final hearings; and, excepting that the witnesses have not been cross-examined, I suppose there has been but little left unsaid. Still, it must be understood that the opinion of the court is never finally made up until the final hearing.

The plaintiffs are the owners of four patents, all founded on an invention of Isaac Winslow, for an improved method of preserving green corn for the table; an invention of undoubted utility in this country, and one which has come into very general use. This method appears to have become known and used before the patent was issued; but I think the affidavits tend to show that Winslow was the real and original inventor; although the some-

what unusual state of things is presented of an invention made more than twenty years before it was patented. Under these circumstances, it would seem fit that the case should be fully investigated; but still the preponderance of the evidence seems to be strong in favor of the patent. And that there has been infringement by the defendants is not denied.

The ground on which I feel bound to refuse the injunction at this time is, that I entertain strong doubts whether, in view of what had been done before, there was any scope for a patent to Winslow. The English patent of Durand, enrolled in 1810, No. 3370, cited from a printed copy in the Public Library of Boston, is for a method of preserving animal food, vegetable food, and other perishable articles, and describes the Winslow process exactly, excepting the "venting," as it is called. Durand is very full in his directions for putting the articles into bottles, or other vessels, sealing the vessels, putting them into a boiler, filling the boiler with water, and boiling it for a longer or shorter time, according to the nature of the article and other circumstances. He shows that the cooking may be done by a steam bath, or by hot air, &c. He says that vegetable substances should be put into the vessels in a raw or crude state. He adds, that the aperture of the vessels, or a small portion thereof, may be left open until the effect of the heat shall have taken place. This is the Winslow process for preserving green corn; and Winslow, in one of his patents, says that he is aware that vegetables and fruits have been cooked in this way. He makes two points of distinction, neither of which has been relied on in argument: namely, that the object of the old process was to exclude all the air, while he has discovered that the presence of a little air is not injurious; and, secondly, that he cooks his corn much longer than usual.

It is proved and admitted that the Durand process was known and practised in this country long before Winslow's time, as applied to vegetables, such as beans, peas, &c., and to fruits. This being so, and Durand having shown that the time of boiling must vary according to the nature of the substance to be preserved, experiments to find out how long to boil green corn could not result in a distinct invention. If it could, Durand has no patent; because he does not mention a single substance by name, and leaves every vegetable and every kind of animal food open to a separate patent. Nor is the alleged fact

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that a little air may be left in the cans important, because it leads to no change of process: all the manipulation remains precisely the same, and it is merely a discovery that the Durand process is more perfect than it was known to be.

At the argument, the principal distinction taken, and which was very strongly and ably urged, was, that Winslow cuts his corn from the cob, and that this is not putting it into the cans "in a raw or crude state," but in a state one step removed from crude. I do not understand the English patent to mean by "crude" that the vegetables must be in the precise state in which they grew, but as equivalent to raw, that is, uncooked; and in this sense the corn is crude, as much so as the peas and beans that are shelled, or the vegetables that may be sliced. Winslow took no such distinction, for he says that his method applies to ears of corn; though he adds, that he does not recommend their use. And, at the time of his discovery, it could hardly be invention to cut the corn from the cob before applying to it the Durand process. A patent may sometimes be obtained, perhaps, for putting an old process to a new use; but I recall no case in which one has been upheld where the new use has been so closely analogous to the old as is shown here.

It is argued that corn is a cereal rather than a vegetable, and chemically different, and acted on differently by heat. But I doubt whether green corn for table use has any such marked differences. It is cooked and eaten like other "vegetable substances," and not ground or manufactured like cereals; and the very purpose of Durand's invention, it seems, is fulfilled in respect to it, by the application of his process.

While, therefore, I think that Winslow was an original inventor, upon the evidence as it now stands, and was the first, too, to apply the process to this article, yet I am unable at present to see that he has made a discovery in the sense of the patent law. By original inventor, I mean that he probably may have discovered the process anew, and have been informed afterwards of the Durand process, and required to notice it in his patents.

It may be that he was the first inventor of the "venting," for which one of the four patents was granted; but as this is a very subordinate part of the invention, and as there are some considerable doubts about it, I do not think I ought to issue this preliminary injunction for that only.

Motion denied.

MARCH, 1871.

JAMES ADAMS v. ALPHEUS BURKS.

When a patented product passes lawfully into the hands of a purchaser without condition or restriction, it is no longer within the monopoly conferred by the patent or under the protection of the patent law.

The purchaser of a patented article lawfully manufactured and sold within his territory, without condition or restriction, by a territorial assignee of the patent, may use or sell it in another territory for which another person holds an assignment of the same patent.

BILL in equity for an injunction to restrain alleged infringement of letters-patent for an improvement in coffin lids granted James S. Merrill and George W. Horner, May 26, 1863; and for an account. The defendant filed a plea to the whole bill. The pleadings and facts are stated in the opinion.

E. H. Pierce, for complainant.

L. S. Dabney, for defendant.

SHEPLEY, J. The complainant in this case is the assignee of a territorial right, for the towns of Natick and Sherborn in Massachusetts, in the patent issued to Merrill & Horner, for a new and useful improvement in coffin lids. The defendant is charged in the bill with an infringement of the complainant's rights under the patent, in the town of Natick. The defendant by plea sets out in defence that Merrill & Horner have assigned to Lockhart & Seelye of Cambridge, all their right, title, and interest in the invention secured by the letters-patent, for, to, and in a circle whose radius is ten miles, having the city of Boston as its centre. (Such a circle would not, upon any construction of the terms of the grant, include the towns of Natick and Sherborn.) Defendant's plea further sets out that he is an undertaker, and that in his business as an undertaker he has used and sold no coffins containing the invention secured by the letters-patent, except such coffins containing said invention as have been manufactured by Lockhart & Seelye, within a circle whose radius is ten miles, having the city of Boston as its centre, and sold within said circle by said Lockhart & Seelye, without condition or restriction.

The case is set down for hearing on bill and plea; the facts in the case for the purposes of this hearing being admitted, and not in controversy.

The only question presented in the case is this: Does the purchase of a patented article, lawfully manufactured and sold without restriction or condition within his territory, by the territorial assignee of a patent right, convey to the purchaser the right to use or sell the article in another territory for which another person has taken an assignment of the same patent?

When a patented product passes lawfully into the hands of a purchaser without condition or restriction, it is no longer within the monopoly or under the protection of the patent act, but outside of it. *Chaffee v. Boston Belting Co.*, 22 How. 217; *Bloomer v. Millinger*, 1 Wall. 350; *Aiken v. Manchester Print Works*, 2 Cliff. 435.

In *Goodyear v. Beverly Rubber Co.*, 1 Cliff. 348, Mr. Justice Clifford, commenting upon the cases of *Bloomer v. McQuewan*, 14 How. 549, and *Wilson v. Rousseau*, 4 How. 646, says: "Both of those cases affirm the rule, that when the patented machine rightfully passes to the hands of a purchaser from the patentee, or from any other person by him authorized to convey it, the machine is no longer within the limits of the monopoly, and is no longer under the peculiar protection granted to patented rights."

It is clear that by such a sale the purchaser acquires an absolute title to the manufactured product which is the subject of a patent, and may deal with it in the same manner as if dealing with any other kind of property. He may use it, repair it, improve upon it, or sell it. Subsequent purchasers acquire the same rights as the seller had, and may do with the article, or its materials, whatever the first purchaser could have lawfully done if he had not parted with the title.

Undoubtedly, the assignee or licensee of the right to make and vend the patented product is bound by his contract, and cannot exceed it.

In this case, the assignee of the territorial right for Boston and its vicinity was fully authorized to make the patented article and sell it in the market. When, therefore, he sold the patented coffins, the royalty upon them was paid, and the purchaser took the property discharged of the peculiar privileges secured by the patent. If this were not so, the purchaser of a manufactured patent article of wearing apparel might be liable for the use of the patented article in every town and city through which he

might travel, in which there might be an assignee of a district territorial right, although he had purchased it of one having a lawful right to make and sell it, so as to convey an absolute and unrestricted title.

Defendant's plea adjudged good.

MARCH, 1871.

ROBERT B. HAWLEY v. EBEN MITCHELL *et al.*

The purchaser of a patented machine from the grantee of the exclusive right to make and use, and license others to use, such machines within a specified territory during the original term of the patent only, acquires by his purchase no right as against the patentee or his assigns, to continue the use of the machine after an extension of the patent.

BILL in equity for an injunction to restrain alleged infringement of letters-patent for improvements in machinery for sizing and felting hats, granted James S. Taylor, May 3, 1853, and duly extended; and for an account. The case is stated in the opinion.

J. E. Maynadier, for complainant.

F. A. Brooks, for defendants.

SHEPLEY, J. Letters-patent of the United States were duly issued to James S. Taylor, on the third day of May, 1853, for new and useful improvements in machinery for sizing and felting hats, which letters-patent were afterwards renewed and extended according to law, for the further term of seven years from the third day of May, 1867.

In November, 1860, during the term of the original patent, the patentee conveyed to Abner L. Bayley "the exclusive right to make and use, and to license to others the right to use, the said machines in the States of Massachusetts and New Hampshire, and in no other place or places, during the remainder of the original term of said letters-patent. Provided, that the said Bayley shall not in any way, or form dispose of, sell, or grant *any license to use* the said machines beyond the third day of May, A.D. 1867."

The conveyance to Bayley contains this further provision:—
"It is further agreed and the right is hereby granted to the said Bailey to use any and all improvements that we may make

upon the said machines, with the free and unrestrained right to use the same upon any and all machines that he may *use or cause to be used* in the said States of Massachusetts and New Hampshire. Should the said letters-patent be extended beyond the third day of May, A.D. 1867, then it is understood and agreed that the said Bayley shall have the right to control the same in the same States of Massachusetts and New Hampshire: provided, that he shall pay to the said Sturdevant and Taylor, or their heirs or assigns, a fair and reasonable compensation for the same, or on terms as favorable as may be offered by any other person or party."

On the eighteenth day of March, 1864, Bayley sold to How & Mitchell two sets (four machines), with the right to run, and on the same day gave them a written license to run and use two sets (four machines), for felting hats, in the town of Haverhill, under Taylor's patent bearing date May 3, 1853. Mitchell, one of the defendants, was a partner in the firm of How & Mitchell; and the other two defendants, Butters & Rust, with Mitchell, are the successors in business of the firm of How & Mitchell, and at the time of filing the bill were using and operating the same four machines in the same place and in the same manner as before the extension of the term of the letters-patent.

It has been decided in numerous cases, that where a machine is the subject of letters-patent, and is in lawful use by any party at the expiration of the original term of the patent, such party may continue to use the identical machine as long as it shall last, notwithstanding the extension of such letters-patent beyond the original term.

Have the defendants in this case acquired such a title to these machines that the machines themselves have passed outside of the monopoly, and the defendants have acquired the right to use them without regard to the patent, or after the expiration of the original term? This depends entirely upon the question, whether Bayley, their grantor, had any such rights; for he clearly could not convey any greater rights than he possessed. If he was a territorial assignee of the patent for a specified territory, the machines sold by him passed out of the monopoly: the royalty of the patentee had been paid, and the property sold passed from under the protection of the patent laws of the United States, and was subject, like other property, only to the operation of the

laws of the State. *Bloomer v. McQuewan*, 14 How. 549. *Wilson v. Rousseau*, 4 How. 646; *Chaffee v. Boston Belting Co.*, 22 How. 217; *Goodyear v. Beverly Rubber Co.*, 1 Cliff. 348. The same principle has been recently affirmed in this court in the case of *Adams v. Burks*, at this term of the court.

No words of limitation, however clearly expressed, confining an assignee's right to the original term, will have any effect to deprive the assignee or his assigns of the right to use, during the extended term of the patent, machines lawfully constructed and used by them during the original term. But this right applies only to machines which have passed outside of the monopoly by a lawful sale of the whole monopoly in the particular machine during the original term.

Bayley was only a *licensee*, and not an assignee for a particular territory of the whole monopoly of the patent. He never acquired the right to sell a single machine. By the terms of the license to him to make and use, and to license to others the right to use, the patented machines, it is expressly provided that he shall not, in any way or form, dispose of any license to use the machines beyond the third day of May, 1867. He was only a licensee. His title was carefully restricted. He had no power to sell a machine so as to take it out of the monopoly of the patent. Had he been a territorial assignee and possessed the power to sell the patented machines, the purchaser would have acquired a title which would have been outside of the monopoly, and would have acquired the absolute right to use the machines during the extended term; and this notwithstanding any covenants Bayley might have made not to convey such a title. Under such circumstances, the patentee must have sought his remedy against Bayley on his covenants. An examination of this contract shows clearly that it was carefully drawn by the parties to guard against such a result. Nothing can be more evident than the purpose expressed in this instrument, to put it out of the *power* of Bayley to give any title to the machines. The very act of sale was a violation of the contract and an act of infringement. The purchasers were bound to examine the title of their grantor. The most cursory examination of the nature of his interest would have shown them he had no right to do more than license them to use the machines, and that not beyond the third day of May, 1867.

Decree for complainant.

MARCH, 1871.

JAMES S. CAREW *et al.* v. BOSTON ELASTIC FABRIC COMPANY.

Where a patent has by the death of the patentee devolved upon his executor, and has been by him assigned, the assignee may take a reissue in his own name and for his own benefit.

BILL in equity to restrain alleged infringement of reissued letters-patent, originally granted David Hayward, August 29, 1854, for an improvement in the manufacture of india-rubber, and extended for the further term of seven years; and for an account.

The bill alleged, with other matters not material, the grant of the letters-patent to Hayward; his death, and the appointment of one Swan as his executor before June 3, 1867; the extension of the letters-patent for the further term of seven years, from August 29, 1868, on the application of Swan as executor; an assignment thereof by Swan, as executor, to James S. Carew, one of the complainants, on the 18th of December, 1868; and the surrender of the letters-patent by said Carew, and grant of a reissue to him on the 6th of July, 1869.

The defendant demurred to the bill, alleging for cause of demurrer, that Carew, not being the executor or administrator of Hayward, the patentee, nor an assignee of the letters-patent under any assignment by Hayward made, but the assignee of Hayward's executor, was not authorized by law to apply for and obtain a reissue of the letters-patent; and that the reissue was therefore invalid.

W. G. Russell, for complainants.

F. A. Brooks, for defendant.

SHEPLEY, J. The only question raised by the demurrer in this case is, whether, after the decease of a patentee without having made any assignment of his patent, and the patent has thereby devolved upon the executor, and has been by him assigned, the assignee of such executor has, by law, the right of taking out, in his own name and for his own benefit, a reissue of such patent.

The thirteenth section of the act of July, 1836 (5 Stats. 122), provides, that "whenever any patent which has heretofore been granted, or which shall hereafter be granted, shall be inoperative and invalid by reason of a defective or insufficient description or

specification, or by reason of the patentee claiming in his specification, as his own invention, more than he had or shall have a right to claim as new; if the error has or shall have arisen by inadvertency, accident, or mistake, and without any fraudulent or deceptive intention, it shall be lawful for the commissioner, upon the surrender to him of such patent and the payment of the further sum of fifteen dollars, to cause a new patent to be issued to the said inventor for the same invention, for the residue of the period then unexpired for which the original patent was granted, in accordance with the patentee's corrected description and specification; and, in case of his death or any assignment by him made of the original patent, a similar right shall vest in his executors, administrators, or assignees."

It is contended, in support of the demurrer, that the sole right to surrender and reissue under section thirteen is given: *first*, to the patentee, if living without having assigned; *second*, to his executors and administrators, after his decease without assignment; and, *third*, to the assignee where there has been an assignment before the death of the patentee; and to no one else. It is claimed that although the assignee of the patentee himself, or any subsequent assignee under him, may take out a reissue, the assignee of the executor cannot do so. This is practically saying, that the right which vests in the administrators or executors in relation to reissue is not a similar right to that of the deceased patentee, but a more limited and restricted one: for, if the position of the respondents is tenable, while the patentee himself could convey to his assignee, and the assigns of such assignee, the right to a reissue, his administrator or executor, by transferring the patent, would deprive the patent of the benefit and advantage of the remedial provisions of the thirteenth section; and no error arising from inadvertence, accident, or mistake could be corrected by a reissue, if the patent had once devolved upon a personal representative of the patentee and been by him transferred, although no such lapse of remedy would occur by reason or in consequence of any number of transfers or assignments through other persons, or their personal representatives or assigns.

The statute provision is remedial, and, like all remedial statutes, is to be construed liberally, so as most effectually to meet the beneficial end in view and prevent a failure of the remedy. Giving

to remedial statutes a benignant interpretation, the letter of the act will be sometimes enlarged, sometimes restrained, and sometimes a construction made *ultra* the strict letter; but not, as has been well and wisely said, *contra* the strict letter. Lord Coke says, "Cases out of the letter of a statute, yet being within the same mischief or cause of the making of the same, shall be within the same remedie that the statute provideth; and the reason hereof is, for that the law makers could not possibly set downe all cases in expresse terms." 1 Institutes, 24 b.

The Supreme Court of the United States, when dealing with the statute in question, has construed it liberally, having regard to the general intent and object of the patent law. Although the strict phraseology of the statute limits the right to obtain a reissue to the original term of fourteen years, the court has construed it to continue during the term of the extension of the patent. And although in express terms the eighteenth section of the act of 1836 only authorizes the grant of an extension to the patentee himself, the court has sustained the grant of an extension to an executor or administrator. *Wilson v. Rousseau*, 4 How. 646. So the validity of a patent reissued for error in the specification, before the statute authorizing such surrender and reissue, has been affirmed. *Grant v. Raymond*, 6 Pet. 218; *Shaw v. Cooper*, 7 Pet. 292, 315.

These decisions are founded upon the principle, that the rights conferred by the patent law, being property, have the incidents of property, and are capable of being transmitted by descent or devise, or assigned by grant. If, therefore, the words of the statute were, upon the strictest rule, capable of the narrow construction contended for, it would be the duty of the court, following the analogy of the cases cited, to give such a construction as would carry out the evident intent and object of the law, rather than one which would obviously render valueless the right granted in express terms to the executor and administrator.

But the language of the statute itself is incapable of this narrow construction. Giving to the patentee the right of surrender and reissue, it makes that an assignable right, and then provides that in case of his death a similar right, that is, a right to surrender and reissue with the incident or quality of assignability, shall vest in his executor. The words used in the statute are usual and apt words to denote assignability. The assignee contemplated in

the statute is the assignee of the executor as well as the assignee of the patentee.

If the demurrer could be considered as properly raising the question presented in argument, whether, under the statute, it is requisite before a patent can be reissued that the patentee himself should make oath to the amended specification, it would be a sufficient answer to say that the statute does not require this. After the death of the original patentee, the executor or administrator may make the amended specification, and it is not readily perceived why there should exist any greater objection to an amended specification filed and sworn to by an assignee under a grant than to one filed and sworn to by an assignee under operation of law. For this purpose, the owner of the patent by assignment may by fair construction be considered the patentee. *Washburn v. Gould*, 3 Story, 132.

Demurrer overruled.

APRIL, 1871.

MILES S. CAHILL v. JOHN D. BECKFORD *et al.*

The patent granted Miles S. Cahill, Nov. 10, 1868, for an improved bronze dressing for leather, held valid.

SHEPLEY, J. The complainant, on the first of September, 1868, applied for a patent for an "Improved Bronze Dressing for Leather," for which letters-patent issued to him dated Nov. 10, 1868. The object of the invention was to provide a fluid which would give a reasonably durable bronze finish to leather, resembling the French metallic bronze finish. This was designed as an accessory article in the trade, to give a bronze finish to boots or shoes, or to renovate this finish when the goods had become tarnished; and also for use in families, to renovate the bronze hue, on the surface of boots and shoes, when it had become worn and unsightly before the leather itself was defaced by wear.

He describes his invention as a preparation of fuchsine with spirit varnish, and gives the formula of preparation; adding that a small quantity of aniline blue may be added to increase

the brilliancy of the dressing if desired, or a small quantity of metallic bronze powder may be mixed with it, when using it on metallic surfaces.

The claim is for "a bronze dressing for leather, composed of spirit varnish and aniline fuchsine, substantially as set forth, either with or without the addition of aniline blue or bronze powder, all as described, as a new article of manufacture."

Disregarding those defences set up in the answer in support of which no testimony has been offered, the case presents only the questions, whether the complainant was the original and first inventor of the thing patented, and, if so, whether the defendants have infringed upon his rights under the patent. It becomes necessary, to a proper elucidation of the first question, to understand the precise state of the art before the invention and manufacture of a bronze dressing prepared on a formula like that described in the plaintiff's specification.

Before that time, colored varnishes were well known and in common use, produced by adding to the varnish pigments of the desired color, and bronze varnishes produced by adding to the varnish metallic bronze powders.

Aniline dyes or coloring liquors were in common use. They were alcoholic or other solutions of the aniline crystals; aniline crystals being sulphates or chlorides of aniline, itself a colorless substance produced by the distillation of coal tar. By acting with oxidizing or reducing agents upon fuchsine or aniline red, which is a goldish green crystal, various shades of color and also various colors were produced, according to the degree of reduction or oxidation.

These alcoholic solutions of the aniline colors had also been used, mixed with alcoholic solutions of shellac, for bronzing and for giving a goldish or greenish, and a goldish and greenish, color to straw goods and similar articles. But these mixtures had none of the requisites of a bronze varnish or dressing for leather; for the reason that, when shellac was present in quantity sufficient to make a reasonably durable dressing, the action of the shellac in the varnish destroyed or changed the color of the bronze crystal. The color of the crystal of aniline violet is bronze; and an alcoholic solution of this crystal, when applied to straw goods, left, after the evaporation of the alcohol, a bronze powder or crystal

on the surface of the straw or other material to which it was applied. The same result was attained by mixing, in the proper proportions, an alcoholic solution of aniline blue with an alcoholic solution of aniline red or fuchsine. But the property which the shellac possessed of modifying the color of the aniline dyes had been an obstacle to the production of a bronze varnish. The complainant seized upon this very property which the shellac possesses of modifying the color of the aniline crystal, and by experiment discovered that the shellac varnish, which destroyed the bronze color in the bronze crystal of aniline violet, developed a bronze color from the green crystal of fuchsine or aniline red. In this preparation, not only was the desired color obtained, but a resinous coating was formed on the surface of the leather sufficiently compact to be reasonably durable.

This was a new process of manufacture, and the manufactured product was new and useful; and, if the complainant was the first and original inventor or discoverer of it, he is entitled to be protected in his rights under his patent.

The defendants allege, that what was claimed as new in the complainant's patent was in public and common use in this country before the pretended invention thereof by the complainant; and in their answer they specify the names and residences of various parties who, they allege, had known and used such a bronze dressing before the date when complainant claims to have invented his process of manufacture.

Attention will only be given to those allegations in the answer in support of which some evidence has been offered, and which were relied upon by counsel at the hearing. Consider Southworth, who was a manufacturer of woollen goods, and familiar with the use of aniline dyes, noticed that a sufficiently strong solution gave a bronze appearance to any article to which it was applied. He tried it upon leather, and found that a solution of aniline alone would rub off and redden any thing with which it came in contact. He then experimented in the use of varnish over the dye to fix the color, but found that the varnish destroyed the bronze color. After various experiments, he prepared and put into the market an article which he offered for sale under the various names of "gilt," "metallic lustre stain," "hat bronze," "bonnet bronze," and "bronze varnish." This was sometimes a solution of aniline violet, sometimes a solution of aniline red

mixed with shellac varnish, without any definite rule of quantities or proportions. The complainant mingles fuchsine with varnish, the limit to the quantity of fuchsine being the point of saturation, or the quantity which the varnish will dissolve. Southworth mixed an alcoholic solution of fuchsine with an alcoholic solution of shellac. It is not difficult to see that the result would not be the same in the two cases. The witness Babcock gives the reason: "To make a bronze dressing like that described in the plaintiff's patent requires a saturated solution of fuchsine. Now a saturated solution of fuchsine, mixed with the amount of alcohol necessary to hold the shellac in solution, produces a mixture which does not contain a saturated solution of fuchsine; that is, too much alcohol, too little fuchsine and shellac." He says further, "I do not consider it possible to mix a solution of fuchsine in alcohol with shellac varnish, and produce a good bronze dressing for leather." This opinion of the expert is sustained by all the testimony as to the utility of the article manufactured by Southworth. He produced and sold an article, which answered the purpose of a dressing for a straw hat or bonnet, or for giving a fancy finish to the edge or shank of a boot or shoe, imparting a gilt or goldish color. The evidence clearly establishes, that it was not suitable for a dressing for leather, and that Southworth's method will not produce a good dressing of any kind for leather, and certainly not a dressing substantially like the complainant's patent. He appears never to have bronzed any skin, except one as an experiment, and that was destroyed. Subsequent experiments by purchasers of Southworth's "metallic lustre or stain," in applying it as a bronze dressing for leather, resulted in demonstrating its want of fitness for, or adaptation to, that purpose, and in driving it from the market, and substantially putting an end to its manufacture or sale for that purpose.

Mr. Beckford, also, before the date of complainant's inventions, manufactured an article such as was then in use for bronzing straw goods. He sent agents about the country to sell the recipes or formulæ for making this article. The value of the article made by Beckford may be best illustrated by the testimony of Scott, one of his agents who travelled for him to sell the recipes. He testified that he fixed the price of a town at from \$150 to \$500, according to the population; receiving ten per cent in advance, and an agreement in writing that the balance should be

paid as soon as a certain amount of work was done. As soon as he left the town, he destroyed the agreement, "never inquired of the purchasers whether they had done the stated amount of work, never called upon them afterwards, and never intended to." Considered it a "bubble that would soon burst."

To prove that Beckford anticipated Cahill, certain papers, exhibits A, B, and D, are produced and relied upon in defence. These purport to be the "receipts" sold by Beckford and his agents. So far as exhibits B and D are concerned, they do not indicate the principle upon which Cahill, the complainant, proceeds. Cahill's principle consists in developing, by means of the addition of relatively a large amount of shellac, an entirely different color from the natural crystal of the fuchsine. The principle upon which Beckford proceeded, as shown by exhibits B and D, was to alter the greenish or goldish shade of the crystal of fuchsine or aniline red by the addition of aniline blue. To make a suitable dressing for leather, in consequence of the rough usage to which articles made of leather are subjected, it is necessary to have a considerable body of varnish. Beckford's exhibits, B and D, show that he produced a bronze, by the use of bronze-colored crystals; adding but little shellac, that the color might *not* be changed. The evidence shows, that there was not the presence of any sufficient quantity of resinous substance in his preparation to make a dressing or enamel of any practical use for leather. Mr. Cahill produced his by the use of a green crystal; adding a large amount of shellac, that the color *might* be changed. This left upon the surface of the leather the desired bronze color, and the requisite body of varnish to make it a reasonably durable dressing.

If exhibit A correctly describes a process known and used before Cahill's, it might be more difficult to decide that it did not anticipate the complainant's invention. But the words and figures in exhibit A, which attach to this paper any particular significance over exhibits B and D, have manifestly been interlined in different ink since the paper was first written. There is no explanation of the alterations. There is no evidence of the existence of the paper in its altered state before the date of Cahill's claim of invention. Without going into details of the testimony, I deem it sufficient to say that I am fully satisfied that no such paper, in its present form, was in existence until

after the date of Cahill's patent; and that, as a piece of evidence in the cause, the exhibit is undeserving of further consideration or remark.

It is objected to the patent, that it is not claimed in the specification that the articles are so compounded as to produce a chemical change. On examination of the specification, I find the requisite proportions clearly stated, and the manner of compounding them, and the result of the process. This is sufficient, as it is enough to enable any one, even one without skill in the art, to use the process. It is not essential that the inventor should have been sufficiently learned to have thoroughly understood or accurately stated the philosophy of a process which he had invented and reduced to practical use.

There does not appear to be any conflict in the testimony upon the question of infringement.

The complainants are entitled to an injunction and an account, as prayed for in the bill. Unless the parties agree as to the amount of damages, the cause must be referred to a master to ascertain the amount.

Decree accordingly.

James B. Robb, for complainant.

E. P. Brown, for defendants.

APRIL, 1871.

ABEL E. BRIDGE *et al.* v. RUFUS H. BROWN *et al.*

The grant of a reissue of a patent is not conclusive upon the question whether or not it is for the same invention as the original patent.

A patent for a new and useful process, which clearly describes the process and the construction of some machinery or apparatus by which it can be carried out, covers all machinery or apparatus which will accomplish the same purpose in substantially the same way.

The reissue patent, dated March 28, 1865, granted S. W. Pingree for an improved process for extracting tan bark, held invalid for want of novelty.

BILL in equity for an injunction to restrain alleged infringement of reissued letters-patent for an improved process for extracting tan bark, granted S. W. Pingree, March 28, 1865; and for an account of profits. The original patent was granted to

Pingree, March 1, 1864. The complainants were the owners of the reissue for the New England States, by assignment. The defendants contended that the reissue was invalid, because it was not for the same invention as the original patent, and because the patentee was not the original and first inventor of the patented process.

Thomas L. Wakefield, for complainants.

George L. Roberts, for defendants.

SHEPLEY, J. The reissue patent of S. W. Pingree, dated March 28, 1865, for a new and improved process for extracting tan bark, described his invention as follows:—"This invention is principally based on the use of steam in making extracts from tan bark, and it consists in treating tan bark after it has been ground: first, with weak tan liquor, or water, whereby it is swelled; and, after the first liquor has been drained off, with steam, which penetrates the bark and prepares it for a second percolation with cold water or weak tan liquor, and a second treatment with steam, in such a manner that, by the application of the first lotion, the bark is prepared for the action of the steam, and by the application of the steam the soluble parts contained in the bark are softened, and brought in the best condition to give up their tannin to the second lotion of cold water or weak tan liquor."

This portion of the description seems sufficiently plain and unambiguous. The process described is: *first*, a drenching with weak tan liquor or water; *second*, after the liquor has been drained off, exposing the tan bark to the action of steam; *third*, a second percolation with weak tan liquor or water; *fourth*, a second treatment with steam; and, as this second treatment of steam, like the first, was only to soften the soluble parts contained in the bark, so as more readily to give up their tannin, this involved, *fifth*, another percolation of weak tan liquor or water.

He then goes on to describe the apparatus with which he executes his process, which "consists of an ordinary leach tub," "which may be divided into more or less compartments, each of which is provided with a false perforated or slotted bottom." "I cover the leach up with a tightly fitting cover, and admit steam through a pipe which extends over the entire length of the leach. The cover is perforated with a series of holes, which can be

closed by slides or other suitable devices, and a pipe (which may be of india-rubber or other flexible material, or of iron) conveys the steam through the holes to the different compartments of the leach." If a flexible pipe is used, it must be provided with a metallic mouth-piece. The mouth-piece of the steam-pipe extends down through the bark nearly to the perforated bottoms of the several compartments, and, when the bark has been thoroughly heated in one compartment, the mouth-piece is passed through another of the holes, and so on until all the bark in the leach has been acted upon by the steam. The leach is again filled with cold water, and allowed to steep for thirty minutes, and then the bark is heated a third (second) time, as before, until the steam reaches the top of the bark, and it is again covered with weak tan liquor. He describes how his process differs from the ordinary process, as follows: "In the ordinary process the liquid is heated with the bark; but in my process the bark alone is heated by the action of the steam, and the liquor is poured on cold."

The claims in the patent are: "*first*, the within-described process of extracting tan bark by first swelling the bark with water or weak tan liquor, and heating it with steam, and afterwards steeping with cold water or weak tan liquor, substantially in the manner set forth; *second*, introducing steam into the bark contained in a leach, at different points, through a pipe, in the manner and for the purpose substantially as described."

The validity of the reissued patent is objected to, upon the ground that it is not for the same invention as the original, and therefore void.

The grant of a reissued patent by the Commissioner of Patents is not conclusive upon the question whether it is for the same invention as the original patent; but wherever it appears, upon the comparison of the two specifications, as a matter of law, that the reissued patent is not for the same invention as that embraced and secured in the original patent, the reissued patent is invalid, and the commissioner has exceeded his jurisdiction in granting it. *Allen v. Blunt*, 3 Story, 744; *Battin v. Taggart*, 17 How. 83; *Sickles v. Evans*, 2 Cliff. 203, 222.

But giving the proper construction to the reissued patent, and treating that as Pingree's invention which is described in both patents as the process invented by him, upon a careful comparison of the reissued patent with the original patent, we are unable to

perceive how we can properly determine, as a matter of law, that the reissued patent describes a different invention from that described in the original.

Both specifications describe the invention as consisting substantially in treating tan, by first swelling it in water or weak tanning liquor, and, after that is drained off, by next subjecting it to the action of steam, which prepares it for a second percolation of water or weak tan liquor. The theory of the two patents in respect to the effect of each of these steps in the process is substantially that, by the first drenching, the bark is prepared for the action of the steam, and by the action of the steam the bark is brought into the best condition to yield its tannin to the second lotion. Both patents describe the difference between the old process in use and the invention of Pingree to be, that, "in the ordinary process, the liquid is heated with the bark; but in my process the bark alone is heated, and the liquid is poured on cold." Both specifications describe the same mode of introducing the steam into the tan, so as, by successive applications of the discharge-pipe in different parts of the leach, to heat by steam all the bark. Although, in describing the preliminary process of steeping the bark, the two patents differ in the length of time the bark is steeped before and succeeding the first application of steam, and although the second patent clearly describes a repetition of the process of steam-heating, which is not so clearly indicated, even if implied, in the first patent, we think the same invention substantially is described in both patents.

We now come to the question, whether this process of extracting tannin from bark was new at the time of the alleged invention by the patentee.

What the patentee claimed as new was, — *First*. "The within-described process of extracting tan bark, by first swelling the bark with water or weak tan liquor, and heating it with steam, and afterwards steeping with cold water or weak tan liquor, substantially in the manner set forth." *Second*. "Introducing steam into the bark contained in a leach, at different points, through a pipe, D, in the manner and for the purpose substantially as described." The "manner" of introduction was to extend a "steam-pipe down through the bark nearly to the perforated bottoms of the several compartments, and, when the bark has been thoroughly heated in one compartment, the mouth-piece is

passed through another of the holes" (of the perforated cover), "and so on until all the bark in the leach has been acted upon by the steam." The "purpose" was to submit all the bark to the action of the steam, so as to bring it into condition to yield up the tannin to the lotion of weak tan liquor or water.

It is perfectly clear, that if Pingree's patent is to be construed as claiming as his invention steam-heating the bark apart from the liquor, or steam-heating the bark after it has been once moistened, and then extracting the tannin by successive drenchings and steam-heatings, it could not be sustained; for such a treatment of the bark by first moistening it, and then steam-heating it, and then drenching it, and by repeating these processes, was in use long before he can claim to have perfected his invention.

He states in his application, that "in the ordinary process the liquid is heated with the bark; but in my process the bark alone is heated, and the liquid is poured on cold."

In the patent granted to William Coburn, of Gardiner, Me., Nov. 1, 1828, an apparatus is described consisting of a cistern or tub furnished with a false bottom perforated with holes, and raised a few inches from the true bottom. "The tub is filled with the substance to be acted upon by the steam, which is suffered to pass into the tub between the two bottoms. Cold water or bark liquor is then *occasionally* poured into the top of the tub, and the liquor thus obtained is drawn off by means of a cock placed between the bottoms of the tub." He states also: "By the application of cold bark water or liquor, or cold water, the steam is found to penetrate the substance much more easily, and a greater quantity of tannin is obtained." The copy of Coburn's specifications found in the "Journal of the Franklin Institute," vol. iii. p. 129, does not give us the number of steam-heatings, nor the number of intermediate drenchings to which the bark was subjected in this process; but from the fact that cold bark liquor or water was "occasionally" poured in, and drawn off after percolating through the bark, and that immediately the bark was steam-heated, we have no difficulty in determining that the liquor was poured on cold, and drawn off, and the bark alone heated, and the process repeated one or more times. As the steam was introduced under the false bottom, the water must necessarily be drawn off at intervals, to allow the proper application of the steam to the bark.

The process of Pingree, so far as described in his original patent, consisting of three steps in the process, — *first*, drenching and draining the bark; *second*, steam-heating it thoroughly; *third*, a repetition of the drenching and draining, — clearly was not new; for it had long been in successful and continuous and practical use in Maine, at Gardiner and Waterville, before the fall of 1857 when Pingree claims to have commenced his experiments. The reissued patent of Pingree properly calls for a second steam-heating and subsequent drenching as essential to his process.

The complainant contends that the process covered by the reissued patent contemplates, — *First*. Steeping, swelling, and softening the entire mass of bark in the leach with weak tan liquor or water, and then drawing off the liquor containing the strength thus obtained. *Second*. Heating the entire mass of bark thus swelled and softened by steam, discharged directly in contact with the bark in the leach top of the false bottom, so that the steam will permeate and heat the entire mass in the leach; penetrating the separate kernels of the bark, and thereby preparing it to yield up its strength or tannin to another percolation of weak tan liquor or water. *Third*. Again steeping the bark in weak tan liquor or water, and again drawing it off, and continuing the steam-heatings and successive drenchings until the strength is substantially extracted.

If this process or method was new and useful, and if the patentee was the first and original discoverer or inventor of the process, and if it is clearly set forth and described in the specification of his patent, and if he has clearly set out and described in his specification the construction of some machinery or apparatus by which his process can be applied, he entitles himself to cover all machinery or apparatus which will accomplish the same purpose in substantially the same method. *Corning v. Burden*, 15 How. 252; *Foote v. Silsby*, 2 Blatch. 265.

For the purpose of considering fairly the question of the originality and priority of invention, we are inclined to adopt this as substantially the true construction of the reissued patent. It is manifest, upon the most cursory examination of the evidence, that upon any broader and less limited construction of the patent, and, in fact, upon any other construction than the one the complainant contends for, the patent would not describe any method or process which had the slightest pretence to novelty.

The process of steam-heating the bark after it had been drenched with weak tan liquor or water, apart from the liquor or water, and after that had been drawn off so as to prepare it for a subsequent drenching, was not original with the patentee; nor does the repetition of this process upon the same bark appear to have been a process new and original with him.

In this connection, it becomes important to determine when the patentee may fairly be considered to have perfected his discovery of the process described in the reissued patent, according to the construction of the patent contended for by him.

It is evident that the experiments made by the patentee prior to the year 1863 were all made for the purpose of testing the use of steam-heating, apart from the water or tan liquor, upon the bark, and generally upon bark to which the ordinary process had once been applied. The patentee, at that time, evidently supposed that steam-heating the bark apart from the water or tan liquor was a new process, and was testing its utility. "I made," he says, "previous trials" at various localities, as early as 1857, for the purpose of testing the strength of liquors obtained by the use of steam from bark once exhausted by the usual process. But a careful examination and comparison of all the evidence in the case satisfies us that he cannot fairly claim to have even tried the process described in his patent, as a whole (giving to the patent the construction for which the complainants contend), before the fall of 1862, or the spring of 1863. Before his employment in the Hoyt's tannery, in the fall of 1862, he had not contrived and put into successful operation any process comprising all the elements of the process described in his patent. He says, "I made some of my first trials at General Sampson's tannery, at Boyceville, Ulster County, New York. That was in the spring of 1863. I went there from the Hoyt's tannery, to which I have already referred." Pingree, also, when asked what he had in view in the spring of 1861, replies, "heating the bark without the water." He also informed Winchester, in the spring of 1861, that he had found that a good liquor could be obtained from bark previously leached, "by applying the steam to the bark without water." But, as we have previously had occasion to remark, there was nothing new in this process. It had long previously been in continuous and successful use. In relation to all the experiments made by Pingree, and testified to by him prior to 1862, in Methuen, and in

Salem and Woburn, he says, "I had not a process then. I did not claim a process. I was experimenting then to bring out a process."

The patentee describes the first use of his process, as a whole, precisely according to the complainants' construction of the patent, when he went to the tannery of General Sampson, in Sampsonville, N. Y., in the spring of 1863.

The evidence in the case is conclusive, that a second steam-heating and subsequent drenching of the bark was put into practical operation by the Jarvis Brothers, in their brick leaches at Gardiner, as early as December, 1859; by the Osborns, at their tannery in Peabody, as early as July, 1861; and by Winchester, at Pinder and Brown's old yard, in 1861; and has been in continuous employment ever since. The attempt seems to be to sustain the patent, on the ground that Pingree first combined with the process of repeated drenchings of the bark, alternating with repeated steam-heatings of it, apart from the liquor, a process of introducing the steam in a pipé inserted through apertures in the top or sides of the leach. This mode of introduction of the steam was not new with Pingree. It is fully described in the French patent of Caccia granted April 8, 1824; and it also appears, from the evidence, that this mode of discharging steam through a pipe thrust down into the mass at different places above the false bottom had been long known, and frequently used whenever the steam-pipes permanently attached to a leach had become defective or been obstructed temporarily. In fact, the introduction of steam through a pipe downwards from the top of the mass of bark, or through apertures in the side of the leach, instead of through tubes, holes, or other apertures from the bottom, involved no invention that would support a patent. When the steam was introduced through holes in the false bottom, it first came in contact with the bark *top of the false bottom*, in substantially the same way and in substantially the same places that it does from the aperture of the pipe extending from the top of the mass of bark down to the top of the false bottom.

I do not see, from the evidence in the case, how the patentee can fairly be considered as having been the first and original inventor of any new process or method of extracting tannin from bark; and therefore, as I do not think, upon the complainant's own construction of his patent, that it can be sustained, or that

either of the two claims in the patent are valid, it becomes unnecessary for me to state the conclusions to which I have arrived on the other points presented in the defence. The complainants' bill must be dismissed with costs.

Decree accordingly.

RHODE ISLAND DISTRICT.

JUNE, 1871.

In re LOUIS J. DOYLE, Petitioner for Review. In Bankruptcy.

A trader is insolvent within the meaning of the bankrupt act, when he is unable to pay his debts as they fall due, in the ordinary course of business.

A payment to one of his creditors, made out of the ordinary and regular course of business by an insolvent debtor, within four months of his petition in bankruptcy, he then knowing himself to be insolvent, is a fraudulent preference within the meaning of the twenty-ninth section of the bankrupt act, and will prevent the granting of a discharge in bankruptcy to such debtor, although the preferred creditor at the time of the payment had not knowledge, nor reasonable cause to believe, that the debtor was then insolvent.

PETITION for review and reversal of a decree of the District Court, denying an application of the petitioner for a discharge in bankruptcy. The facts are stated in the opinion.

T. A. Jenckes, C. Hart, for petitioner.

C. S. Bradley, O. Lapham, & B. N. Lapham, for opposing creditors.

SHEPLEY, J. The creditors of Louis J. Doyle, a bankrupt, filed specifications in the District Court in opposition to his petition for discharge. Upon a hearing before the district judge, upon his application for discharge, and the specifications of the creditors in opposition thereto, the prayer of the petition for discharge was denied by the court. The bankrupt thereupon filed his petition in this court, sitting as a court of equity, for a revision of alleged errors in the rulings and decree of the District Court, praying for a reversal of the judgment of the District

Court, and that a discharge be granted to him as prayed for in his application.

In determining the question of the right of the bankrupt to a discharge, the district judge denied the application, upon the ground that the allegation of the opposing creditors was sustained by proof of a fraudulent preference of a creditor contrary to the provisions of the act.

The third subdivision under the general allegation of fraudulent preference alleges that the bankrupt paid the firm of Doyle & Joslin, of the city of Providence, the sum of two thousand dollars but a short time before the filing of his petition in bankruptcy, and when he knew himself to be insolvent and in contemplation of bankruptcy.

It appears that on the tenth day of December, 1868, two days before the paper of the bankrupt went to protest, and he finally suspended payment, and nineteen days before the date of filing his petition in bankruptcy, he was indebted to the firm of Doyle & Joslin for a balance due them upon an open account between the parties. Doyle & Joslin were acting apparently as bankers for the petitioner, receiving deposits from Doyle, and making him advances from time to time, keeping an interest account. On his examination, the bankrupt states that he was continually borrowing money from them from time to time. He would borrow money for a day or two, and return it in a day or two.

On the 10th of December, the balance against Doyle exceeding four thousand dollars, Doyle & Joslin called for payment. Doyle had twenty shares of American Screw Company's stock standing in the name of Gideon Spencer, who had advanced nine thousand dollars on the stock, and held the title as collateral security for the loan. The note to Spencer for the nine thousand dollars was not due until Jan. 9, 1869. Doyle sold the stock, and, after paying the note to Gideon Spencer, paid the balance of the proceeds of the sale, about two thousand dollars, to Doyle & Joslin, still leaving a balance, as he states it, of twenty-one hundred dollars due them. This payment resulted *pro tanto* as a preference of Doyle & Joslin over the other creditors. Was this a transaction in the ordinary course of the bankrupt's business? or was it such a payment as, being made with a full knowledge of insolvency and with intent to give a preference, would be fraudulent in the contemplation of the bankrupt act?

Of his actual insolvency at that time there can no question be made. The total amount of his liabilities, as stated by himself at the hearing, amounted at that time to over five hundred thousand dollars, of which nearly two hundred thousand dollars was unsecured by the mortgages on his real estate and mill property. The assets in the hands of the assignee apparently are not sufficient to pay much, if any, more than ten per cent on the debts not covered by the mortgages.

Doyle's losses in the manufacture of beaver cloths between Oct. 1, 1866, and the time of his suspension, were \$92,619.72. He says the beaver account was settled in December, 1868. "The final balance showed a loss at that time; though we knew all the time, if the goods sold, they would show this loss." That loss occurred some time between October, 1866, and December, 1868, without any exact time to assign to it. He had manufactured beavers, and shipped them to Hunt, Tillinghast, & Co., of New York, up to Aug. 22, 1867, when the last consignment was made. They had advanced him large sums on the goods, and he says that when he "stopped manufacturing beavers, the beaver account looked as though it might show a large loss." After that he began to manufacture fancy cassimeres. "I kept," he says, "a cassimere account separate from the beaver account. That was an agreement with Hunt, Tillinghast, & Co. I made this trade with Hunt, Tillinghast, & Co., that I should be able to draw my balances on fancy cassimeres. They were to advance me three-fourths on the goods. If any balances accrued, I was to draw them. They were not to apply them to the liquidation of the beaver account."

The beaver cloths were selling slowly in May, 1867, at two dollars a yard, at which price they yielded a profit, after deducting commission and expenses, of "from ten to fifteen cents a yard." They did not sell very well, and there was a constant decline in prices. Only a few cases were sold at \$2.00; then they declined to \$1.80. There were but a few sold at \$1.80; then they fell again, and continued to fall during the whole season. This decline in prices continued to the time of the final sale, at \$1.12½.

It is clearly apparent from the evidence that Hunt, Tillinghast, & Co. had advanced him very large sums on the beaver account over and above the market value of the goods, and that when he ceased to manufacture that class of goods, and engaged in the

manufacture of fancy cassimeres, it was with the hope that the profits on the cassimeres might compensate for the losses in the manufacture of beavers. Hunt, Tillinghast, & Co. agreed to carry the large amount due them for over-drafts on the beaver account, to afford Doyle the benefit of any favorable change in prices of the beaver cloths, and to give him the benefit of the experiment in the manufacture of the cassimeres. But the price of the beavers constantly declined, and the manufacture of the cassimeres proved no less ruinous than that of the beavers, showing, from Feb. 1, 1868, to the final close of the account by the assignee, a loss of \$67,123.02.

Without going more minutely into the details of the other transactions of the bankrupt, I am satisfied that long before the 10th of December, 1868, he was fully aware of his insolvency, estimating his property and assets at their market value at that time. He was struggling to keep his head above water, trusting solely to the indulgence of his creditors, who were willing, as he expresses it, so long as he kept his head above water, to do nothing to put it under, and vainly hoping for a favorable change in the market value of his goods that might extricate him from his embarrassments. His statements and his conduct in December, 1868, both show that he was fully aware that when the sustaining hands of Hunt, Tillinghast, & Co. were withdrawn from him, he must fall. Most manifestly, he knew that he had not the means to meet his business liabilities in the ordinary and regular course of business. Of his actual insolvency, and of his knowledge of that insolvency at the time of the payment to Doyle & Joslin, I think there can be no reasonable doubt.

Insolvency, as used in this act, does not mean an absolute inability to pay one's debts at a future time upon a settlement and winding up of all a trader's concerns; but a trader may be said to be in insolvent circumstances when he is not in a condition to pay his debts in the ordinary course, as persons carrying on trade usually do. *Bailey v. Schofield*, 1 M. & S. 338; *Thompson v. Thompson*, 4 Cush. 134; *Buckingham v. McLean*, 13 How. 167; *In re B. C. Gay*, 2 B. R. 114.

If the payments to Doyle & Joslin had been, as it is contended on the part of the bankrupt they were, payments made in the ordinary and regular course of the business of the bankrupt, as traders ordinarily pay small sums of borrowed money on call

loans, I should not be inclined to consider such payments as made with an intent to give a fraudulent preference. If payments made in the regular and ordinary course of business by an insolvent, even with knowledge of his insolvency, are necessarily to be considered as preferences in fraud of the act, but few bankrupts could obtain a discharge, if opposed. The intent to secure to one creditor a preference over others must appear. The money paid to Doyle & Joslin was not paid in the ordinary and usual course of the bankrupt's business, nor out of the proceeds of his ordinary sales. Having previously mortgaged his other property to nearly its full value, he disposed of these shares of stock, apparently the *only* property remaining not so incumbered as not to be available to raise money upon, and, anticipating the payment of the debt for which the shares were pledged, he applied the balance of the proceeds to the reduction of the debt of Doyle & Joslin. From the condition of his property, he must have known that there was no reasonable expectation that his other creditors would fare as well in proportion to the debts. Although it does, not appear that he expected then to stop payment immediately (on the contrary, it does appear that he was still expecting and struggling to keep his head above water, as he expresses it, for a time longer), yet he was so thoroughly aware of his situation, that two days after, with twelve thousand dollars in amount of paper indorsed by perfectly responsible parties in his hands, he decided to suspend instantly, upon Hunt, Tillinghast, & Co. refusing to discount it, without making an effort to obtain the money elsewhere.

I am forced most reluctantly to the conclusion, that the evidence in the case sustains the specification of a fraudulent preference, contrary to the provisions of the bankrupt act, in the payment to Doyle & Joslin of the sum of two thousand dollars, but a short time before the filing of his petition in bankruptcy, and when he knew himself to be insolvent. I come to this conclusion reluctantly, as before stated, because the evidence utterly fails to prove any actual fraud on the part of the bankrupt by any concealment of his assets or withholding of any information, and I find no evidence in any other transaction set forth in the record of any conduct which ought to interfere with his discharge. But having designedly and intentionally paid a favored creditor when he was not able to pay all his debts in the usual and ordinary

course of his business at the time, knowing such to be the condition of his affairs, meaning to secure that favored creditor whether his other creditors should be paid or not, he is not entitled to his discharge.

It is contended that the creditor receiving the payment or security should have knowledge of the insolvency at the time, in order to defeat the discharge on account of the preference given to him. This question is very fully considered in the very able opinion of Judge Fox, *In re Gay*, 2 B. R. 114. This is one of the ablest and most exhaustive opinions which have been given on the construction of the bankrupt act. I entirely agree with the reasoning and the conclusions of the learned judge in that opinion. The twenty-ninth section of the act declares that "no discharge shall be granted if the bankrupt has given any fraudulent preferences contrary to the provisions of this act." By the thirty-fifth section, it is enacted, that "if any person, being insolvent or in contemplation of insolvency, within four months before the filing of the petition for or against him, with a view to give a preference to any creditor or person having a claim against him, or who is under liability for him, procures any part of his property to be attached, or makes any payment, pledge, assignment, transfer, or conveyance of any part of his property, either directly or indirectly, absolutely or conditionally, the person receiving such payment, pledge, &c., having reasonable cause to believe such person is insolvent, and that the same is made in fraud of the provisions of this act, the same shall be void."

I do not think that the question, whether such a conveyance made by an insolvent with knowledge of his insolvency, and with a view to give a preference to a creditor, would be in fraud of the provisions of the act, is dependent upon the knowledge of the creditor receiving the payment or security of the insolvency at the time.

If the assignee would invalidate the payment, and recover back the payment or security given, it is necessary that he should have knowledge of the insolvency, and that the preference was given in fraud of the act on the part of the favored creditor. Until this knowledge is brought home to the creditor, he is allowed to retain the payment or security, which, so far as he is concerned, he has honestly received. But, so far as the bankrupt himself is con-

cerned, if he has in fraud of the act given to one of his creditors a preference, and has concealed the knowledge of his insolvency from that creditor, it is certainly a greater injury to the other creditors, and as great a fraud upon the act as if the preference had been given to a creditor having full knowledge of his condition and purpose. In the latter case, the preference can be impeached and avoided, and the property reclaimed by the assignee for the benefit of the general creditors; in the former case, the preference is valid and effectual.

Decree affirmed.

JUNE, 1871.

POWELL H. CARPENTER v. ATTMORE ROBINSON *et al.*

The assignor of his estate in trust to distribute the proceeds thereof ratably among his creditors, upon release of their claims within a specified time, and pay over to him the balance of proceeds remaining undistributed at the end of that time, may, after expiration of the specified period, by bill in equity in which the assignee and the only unpaid creditor are made parties defendant, compel a full and exact account of the dealings of the assignee with the trust estate.

In order to hold a purchaser of trust property from a trustee authorized to sell, liable in equity to account for and pay the proceeds thereof to the *cestui que trust*, on the ground of fraudulent collusion with the trustee in the purchase, in the absence of other evidence of fraud, such inadequacy of consideration as would of itself be an indication of fraud must be proved beyond question.

SHEPLEY, J. The complainant, on the twentieth day of December, A.D. 1858, executed to Attmore Robinson, one of the defendants, a general assignment of all his property for the benefit of his creditors. The deed of assignment authorized the assignee to take immediate possession of all the property, and "as soon as conveniently may be, by public or private sale, for the best price that can be obtained, convert all and singular the premises into money," and to collect all debts due the assignor; and, after paying the expenses of making the assignment, and of executing the trust thereby created, and compensation for his services as assignee, to appropriate the proceeds of such sale and collections: *first*, to reimburse the assignee for advances made to the assignor for the payment of confidential debts; *secondly*, to

the payment, ratably in proportion to their debts, to such creditors of the assignor as should within six months from the date of the assignment execute a release of their claims; *thirdly*, to pay over to the assignor the shares of such creditors as did not within six months release their claims, and also any balance remaining after the payments aforesaid.

A portion of the assigned estate consisted of about seventy-five acres of land, together with a wharf, buildings, and improvements, comprising, with the exception of six acres owned by the United States, the whole of an island lying in Narragansett Bay, between the main-land and Conanicut Island, commonly known as Dutch Island, and forming a part of the town of Jamestown, in the county of Newport, and State of Rhode Island. This estate the complainant had previously, on the first day of April, 1857, mortgaged to James H. Carpenter, one of the defendants, to secure the payment of two notes of seven hundred and fifty dollars each, payable in two and three years from date respectively; and also on the same day had mortgaged to Benjamin W. C. Carpenter, to secure the payment to the said Benjamin of the interest on the sum of three thousand five hundred dollars semi-annually during his life, and the payment to his personal representatives of the principal sum within six months after his decease. Benjamin W. C. Carpenter died in June, 1859, and bequeathed this mortgage and mortgage debt to an infant daughter of J. H. Carpenter, the defendant. On the fifth day of September, 1859, Attmore Robinson, the assignee, conveyed the Dutch Island estate to James H. Carpenter for the nominal consideration of one dollar, the incumbrances at that time amounting to between five and six thousand dollars.

On the seventeenth day of July, 1867, the complainant filed the bill in equity in this case against his assignee Attmore Robinson, and his brother J. H. Carpenter, the purchaser of the Dutch Island estate.

The complainant alleges, that the conveyance of the Dutch Island estate was without any consideration, and was made by collusion between the defendants, with intent to defraud the complainant and his estate, and to deprive him of the benefit and advantage which would have resulted from a proper disposition of the Dutch Island estate; that, as soon as he heard of the conveyance, which was a short time after the same had been executed,

he earnestly protested against the same to said defendant Robinson, and he believes that the fact that said protest was made was communicated by said Robinson to said Carpenter. Complainant further states, that he was informed in the early part of the year 1863, or about that time, that negotiations had been entered into with a view to the purchase of said Dutch Island estate by the Government of the United States; that, being at that time at a distance from the State of Rhode Island, and in destitute circumstances, he caused, through his friends in Rhode Island, a remonstrance to be forwarded to the authorities of the United States against the purchase; that at the same time a demand was made upon defendant Carpenter for an adjustment and settlement of defendant's claims on the premises, and a demand upon the assignee to furnish an account of his acts and doings as assignee; that Carpenter made no reply, and a written refusal to furnish any statement to complainant's counsel was received from defendant Robinson. By way of excuse for his long delay to assert his claims, he states, that since the assignment he has been in infirm health, and poor and destitute, and therefore unable to bear the expense of litigation. The complainant alleges that Dutch Island was, by deed dated July 1, 1864, but not delivered and recorded until Aug. 6, 1866, finally conveyed to the United States, and that the consideration named therein, the sum of twenty-one thousand dollars, was paid to James H. Carpenter, Aug. 7, 1866. The bill alleges that all debts due from the complainant at the time of the assignment have been satisfied and discharged, and offers to pay and discharge any unsatisfied debts, if any such exist.

The prayer of the bill is for an account from the assignee of the property taken possession of by him under the assignment, and of the disposition of the same, and of the debts paid, compromised, and discharged by him, and a transfer to the complainant of any balance remaining in his hands. It further seeks for a decree that Robinson and Carpenter shall account for the rents and profits of the Dutch Island estate, and for the proceeds of the sale to the United States, and a payment to the complainant of all such profits and proceeds, after deducting the sums paid in discharge and satisfaction of the two mortgages, dated April 1, 1857.

The answers of the defendants deny the collusion and fraud

charged in the bill. The defendants allege that the price for which the Dutch Island estate was sold, being the amount of the incumbrances upon it, which, they state, amounted with interest and taxes to five thousand six hundred dollars, exceeded the then value of the estate. Both defendants swear that Carpenter, after the conveyance to him, offered to sell the estate for the same price he had paid for it; to wit, one dollar over and above the incumbrances thereon. They deny that the estate cost the complainant eight thousand dollars, as alleged in the bill, but aver, on the contrary, that he paid for the land the sum of two thousand six hundred dollars, and that the improvements he put upon it were not worth more than two thousand two hundred and fifty dollars. They aver that Robinson made repeated efforts to sell the estate for the largest sum that could be realized for it; that he applied to persons living in the vicinity of the estate, and acquainted with the estate and its value, and could not find any person who would pay any thing for the estate above the incumbrances thereon. The answers deny that the complainant made any protest or objection to said sale until the year 1863, at the time of the negotiations for the sale to the United States.

The assignor, by the terms of the deed of assignment, as well as by the rule of law, being entitled to the residue of the estate after the payment of debts, the complainant is the proper party to come into a court of equity for an account and for relief against any breach of trust on the part of the assignee. After the extinguishment of the debts, the assignor becomes clothed with all the rights and powers of a *cestui que trust* to the same extent as the creditors before their rights were extinguished. Such a bill in equity in behalf of the assignor against an assignee who had fraudulently and improperly conveyed the trust property to another, not as a means of executing the trust, but as a means of extinguishing the reversionary interest of the assignor, was sustained by Mr. Justice Clifford. In the case of *Lucinda James, Administratrix, v. The Atlantic De Laine Company*, in the Circuit Court, Rhode Island District, November Term, 1867, not yet reported. Although the objection was made in that case that two debts of the complainant had not been paid, the court replied, that the rights of creditors in such a case would be protected in the decree granting relief. Cases undoubtedly may arise where the fraud of the assignee would operate exclusively to the detri-

ment of the creditors, and where their discharges, given in ignorance of the fraud, would be inoperative. In such cases, the creditors would be necessary parties to the bill. In this case, as the only debts proved to be outstanding and unsettled appear to be due to James H. Carpenter, and he is made a party defendant, there seems to be no objection to the maintenance of this action on the ground of want of parties, as all parties in interest are before the court, and all their rights can, if necessary, be protected in the decree.

The evidence in this case clearly exhibits a want on the part of the assignee of reasonable diligence and prudence in the management of the trust estate. He does not appear to have kept any proper accounts of his doings in the execution of his trust, or to have ever declared or paid any dividend to the creditors otherwise than by compromise of their debts, without regard to their rights to a ratable proportion of the proceeds of the assets. If assignments of the description of this one are to be upheld, the conduct of the assignee in the management of the trust estate should be inspected with the severest scrutiny; and the utmost good faith should be exacted from him, not only in his dealings with the trust estate, but in his communications with the assignor and the creditors. To withhold any information from the creditors or the assignor which is in his possession, and which affects the value of the trust property, is such a fraud as would vitiate any settlement or compromise made by him with the assignor or the creditors, acting in ignorance of facts within the knowledge of their trustee.

The account annexed to the answer of the assignee is not properly stated, and the evidence in the case tends to show that there are many errors and omissions in it which require examination and correction; and there is sufficient evidence of want of reasonable care and diligence in the management of the trust estate to render it evident that there should be a reference of the case to a master, and that the defendant Robinson should be required to account anew before him.

The principal difficulty in the case grows out of the connection of J. H. Carpenter, the defendant, with the purchase from the assignee of the Dutch Island estate.

The averment in the bill is, that this conveyance was made without consideration, and was the result of a combination and con-

federacy between Robinson and Carpenter with the intent to deprive the complainant of any benefit from the estate. Both defendants in their answer specifically deny that there was any collusion or intention to defraud the complainant, and they deny the alleged inadequacy of the consideration paid, averring, on the contrary, that the assignee made repeated efforts to sell the estate, and could not find any one who would pay any thing for it over and above the incumbrances. They aver that the incumbrances on the estate amounted to the sum of \$5,600, which was the full value of the estate at the time.

To establish the charge of fraud, and overcome the answers of the defendants, it is manifest that the burden is on the complainant to establish affirmatively beyond question such an inadequacy of consideration as would be of itself an indication of fraud on the part of the assignee.

After the lapse of some years after the sale, the property was again sold to the United States for a site for fortifications, at a vastly enhanced price. But this is no criterion of its value in the market at the time of the conveyance by the assignee. There is no evidence in the case that, at that time any one, contemplated that the property would ever be needed by the government, or available for the purposes to which it was subsequently devoted. The breaking out of a great civil war awakened the government to the defenceless condition of our coasts and harbors; and when this island was selected as a site for one portion of the coast and harbor defences, the owner of it availed himself of the necessities of the case, and the necessity of using this particular site for that special purpose, to extort from the United States a price vastly in excess of any marketable value of the property. The price paid was more than double the value of the property, as estimated according to the opinions of those of the complainant's witnesses who put the highest estimate on its value at the date of the conveyance by the assignee. We must judge the acts and conduct of the parties by the state of things existing and within their knowledge at the time of the transaction in question. The subsequent discovery or development of an element of value in the property, not within the knowledge or contemplation of either of the parties to a sale, does not afford us any aid in determining the true character of the transaction, when the issue is only one of fair value and

adequate consideration, depending upon marketable value at the time.

To show the value of the Dutch Island estate, at the time of the conveyance to Carpenter, the defendant, and for the purpose of proving that the agreed consideration was grossly inadequate, the complainant has introduced the evidence of four witnesses. These witnesses testify that in their opinion the property in the year 1859 was worth \$10,000. But this opinion does not seem to be based upon that kind of knowledge which would qualify them to testify as expert witnesses, or give any great probative force to their opinions, if admissible. They are farmers, and competent, perhaps, to express an opinion upon the character of the soil and the productiveness of the land for farming purposes. The first one, Howland, says he has not purchased or sold land in that vicinity for himself or as agent for others. The next witness, Wilbur Hazard, says he does not know the price at which land sold in that vicinity in 1859. Cottrell, the next witness, who knows only of one sale of land in the vicinity, is not interrogated as to the market value of the land, but gives his opinion of its value for agricultural purposes. Jeremiah Hazard, being asked, "Are you familiar with the value of land in the vicinity of Dutch Island, and do you know the price at which land in that neighborhood was sold from 1857 to 1860?" answers as follows: "Somewhat so; I don't recollect the price of any land that was conveyed about that time."

The testimony of all these witnesses was objected to, as being an expression of opinions in a matter upon which they did not appear to be qualified to give an opinion. In the case of *Howard v. The City of Providence*, 6 R. I. 514, a witness, who was a dealer in real estate for himself and others, had been acquainted with the value of real estate in the vicinity, had owned real estate near it, and had bought and acted for others in the sale of real estate in thirty or forty instances, was allowed to give his opinion as an expert as to the value of land, and the damage done to it by the location of a street through it. In New York, the evidence of farmers living in the vicinity, and who state that they are acquainted with the value of farming lands in the vicinity of the land in question, is received as to its value. *Van Deusen v. Young*, 29 Barb. 9; *Robertson v. Knapp*, 35 N. Y. 91. In *Shaw v. The City of Charlestown*, 2 Gray, 109, the court say, "It has

become the well-settled law of this Commonwealth, that the value of property, real or personal, when in controversy, may be proved by the testimony of witnesses personally acquainted with the subject, and who are sufficiently familiar with it to give an opinion of its value." In *Whitman v. The Boston & Maine Railroad*, 7 Allen, 313, 316, the Supreme Court of Massachusetts, reaffirming the decision in *Shaw v. The City of Charlestown*, say, that such evidence is admitted from necessity, and is not confined strictly to experts. *Wyman v. Lexington & W. Cambridge R.R.*, 13 Met. 316; *Haskins v. Hamilton Ins. Co.*, 5 Gray, 432; *Fowler v. County Commissioners*, 6 Allen, 92.

The better opinion, perhaps, would not justify the exclusion of this evidence, but would authorize us to receive it, and give the opinions of the several witnesses only such weight as they are respectively entitled to, when we take into consideration their means of knowledge and their opportunities for forming a correct opinion of the market value of this property, not forgetting that the foundation upon which the admissibility of this evidence rests is some supposed superior knowledge or experience of the witness in relation to the subject-matter upon which he is permitted to give an opinion as evidence.

It does not appear that any one of the complainant's witnesses would have been willing to pay any more for the property than Carpenter paid, or that any other person was willing or desirous to pay a higher price, or that property in the vicinity of like description and value sold at that time in the market for a higher price. A large number of witnesses examined on the part of the defendant, apparently with about equal opportunities of forming a correct opinion of the value of the property at the time of the sale, estimate its value at that time at less than the amount of the incumbrances. They testify that the fact that the land was for sale was generally known, and a matter of common repute in the vicinity.

The charge of fraud as against Carpenter cannot be sustained without establishing the fact of the purchase for an inadequate consideration. His purchase cannot be considered fraudulent as against the creditors, or against the complainant, if he in good faith paid what was at the time a fair value for the property.

Both the defendants were well acquainted with the property and its value; and if the assignee sold it to J. H. Carpenter for

a price less than could have been obtained for it from others, the intimate relations of the parties would go far to prove such knowledge on the part of Carpenter, as would charge the estate in his hands, and require him to account for the proceeds. But the burden of proof is on the complainant to establish this fact, by evidence sufficient to overcome the effect of the denials in the answer. This he assumes to do by the evidence of opinions as to the value. But we think, after a careful review of all the testimony in the case, that the preponderance of opinion tends to show that the value at the time of the sale did not exceed the amount of the incumbrances. To hold a party guilty of fraud in the purchase from a trustee, in the absence of any direct evidence of fraud or collusion, upon an inference drawn from an alleged inadequacy of price, such inadequacy should be proved beyond question.

Bill dismissed as against the defendant Carpenter, and cause referred to a master for an account as against the defendant Robinson.

OCTOBER, 1871.

JAMES H. COGGESHALL, Petitioner for Review, v. ASA K. POTTER *et al.* In Bankruptcy.

A mortgage of personal property valid as between the parties, and not fraudulent under the bankrupt act, is good against the assignee or trustee of the mortgagor in bankruptcy, although not recorded as required by law of the State in which it is made.

The second clause of the thirty-fifth section of the bankrupt act, declaring void certain conveyances of his property by a bankrupt, does not apply to a *bonâ fide* preference of one of his creditors, made more than four months before the proceedings in bankruptcy.

On petition for review of the finding of the District Court, in bankruptcy, on a matter of fact, the burden is on the petitioner to show that the evidence cannot support the finding.

PETITION for review of a decision of the District Court holding valid a mortgage of personal property given by Joseph Dow, a bankrupt, as security to one of his creditors. The petitioner was trustee of the bankrupt's estate, duly appointed under the bankrupt act. The mortgage in question was given by the bankrupt more than four months before, but within six months of, the com-

mencement of the proceedings in bankruptcy. It described the mortgaged property only by reference to certain annexed schedules. The mortgage itself was duly recorded in the office of the clerk of the city of Providence, under the law of the State ; but the schedules annexed were never recorded.

James Tillinghast, for petitioner.

A. Payne, Ashley & Colwell, for mortgagees.

SHEPLEY, J. This is a petition under the first clause of the second section of the bankrupt act, for the exercise of the supervisory jurisdiction of the Circuit Court.

The first question presented for adjudication is, whether, in the absence of fraud, the assignee takes only such rights and interests as the bankrupt himself had and could assert at the time of his bankruptcy, or whether he is to be considered as a purchaser for a valuable consideration, in the proper sense of those terms.

Joseph Dow, the bankrupt, on the twenty-fourth day of December, 1867, made a chattel mortgage to Potter, Denison, & Co., in the common form, which was acknowledged on the same day, and lodged for record on the twenty-sixth day of December, in the same year. The property mortgaged was described as " the articles of personal property enumerated and described in the schedules and bills marked respectively A, B, C, and D, hereto annexed, and constituting a part of this mortgage."

These schedules, although attached to the mortgage, and forming a part thereof, and although left with the mortgage at the office of the city clerk in Providence, were not in fact recorded. The mortgage which was recorded contained no enumeration or description of the articles conveyed ; so that the record-book gave to inquirers no other information than that contained in the general description referring to the schedules.

While the mortgage and schedules were remaining in the city clerk's office unrecorded, after having been received and entered by him, the originals of both could have been seen and examined, and were all which could be found in the office indicative of the claim of the mortgagee. But after the clerk has extended his record, it is that only which the law treats as the evidence required. *Sawyer v. Pennell*, 19 Me. 173.

If, therefore, the assignee of the bankrupt, or, as in this case, the trustee, is to be considered as entitled to the same rights as an attaching creditor, or a purchaser for a valuable consideration

without notice, he would take a good title as against Potter, Denison, & Co., who claim under the unrecorded mortgage.

Under the English bankrupt act, Lord Hardwicke, in *Brown v. Heathcote*, 1 Atk. 160, 162, says, "The ground the court goes upon is this, that assignees of bankrupts, though they are trustees for creditors, yet stand in the place of the bankrupt, and they can take in no better manner than he could." See also *Jewson v. Moulson*, 2 Atk. 417, 420; *Mitford v. Mitford*, 9 Ves. Jr. 87, 100; *Worrall v. Marlar*, 1 P. Wms. 459, note.

Under the bankrupt act of 1841, in the case of *Mitchell v. Winslow*, 2 Story, 630, 637, Mr. Justice Story says, "Now it is most material to bear in mind, under this aspect of the case, that it is a well-established doctrine, that (except in cases of fraud) assignees in bankruptcy take only such rights and interests as the bankrupt himself had, and could himself claim and assert, at the time of his bankruptcy; and consequently they are affected with all the equities which would affect the bankrupt himself, if he were asserting those rights and interests." See also *Winsor v. McLellan*, 2 Story, 495; *Ex parte Newhall*, 2 Story, 363; *Fiske v. Hunt*, 2 Story, 584.

But it is urged with much force and ability on the part of the petitioner, that the decisions of Mr. Justice Story above cited, having been made under the bankrupt act of 1841, are not applicable to the statute now in force. Reliance is placed upon the distinction in the phraseology of the respective sections of the act of 1841 and the act of 1867, saving the rights of mortgagees.

The second section of the bankrupt act of 1841 provided "that nothing in this act contained shall be construed to annul, destroy, or impair any lawful rights of married women, or minors, or any liens, mortgages, or other securities on property, real or personal, which may be valid by the laws of the States respectively, and which are not inconsistent with the provisions of the second and fifth sections of this act." The proviso in the act of 1867 is, "that no mortgage of any vessel, or of any other goods or chattels, made as security for any debt or debts, in good faith and for present consideration, and otherwise valid and duly recorded, pursuant to any statute of the United States, or of any State, shall be invalidated or affected hereby." The fourteenth section of the act of 1867 vests in the assignee (with certain specified exceptions) all the property and estate of the bankrupt,

and all the property conveyed by the bankrupt in fraud of his creditors; and authorizes him, "under the order and direction of the court, to redeem or discharge any mortgage, or conditional contract, or pledge or deposit, or lien upon any property, real or personal," &c.

It must be borne in mind, in determining this question, that the statute of Rhode Island, like the statute of Maine, under consideration in the case of *Mitchell v. Winslow*, decided by Mr. Justice Story, expressly recognizes the validity of an unrecorded mortgage of personal property between the parties, so that if the assignee is to be considered as merely standing in the place of the bankrupt, he would, in contemplation of law, be one of the parties to the instrument, and, as against him, no record would be necessary. The literal terms of the proviso, it is true, only save mortgages which have been duly recorded. But can it therefore be inferred that those mortgages are not saved which are valid by the laws of the respective States which need no record? Are mortgages which are good at common law, and mortgages otherwise valid, made in States where there is no provision for the recording of mortgages, avoided by the bankrupt law, while those are upheld which are made and recorded in States requiring a record? Such could not have been the intent of the statute or the object of the proviso. The proviso, as stated by Judge Lowell (*In re Griffiths*, 3 B. R. 180), "appears to have been inserted out of greater caution, lest it should be supposed that valid chattel mortgages should be affected by the assignment, and not with any view of construing the laws regarding record; and so if the mortgage be one that requires no record, — as if it be executed in a State having no statute on the subject, or if, as in this case, record is not required between the parties, — the proviso will not defeat it."

The language of Mr. Justice Field, in the opinion in the case of *Second Nat. Bank of Leavenworth v. Hunt*, 11 Wall. 391, might seem at first glance to favor a different construction; but, on more careful examination, it will appear that the decision is placed upon the ground that the mortgage was not valid by the laws of Kansas, and was fraudulent as against creditors.

Two other questions decided by the District judge are presented for revision, — one a question of law on the construction of the statute, the other a question of fact upon the evidence in the case.

The District judge in effect decided, that, after the lapse of four months from the date of the conveyance, simple *preferences* of a *bonâ fide* creditor by an insolvent debtor not otherwise fraudulent are to be held valid, so far as the preferred creditor is concerned.

Prior to the passage of the bankrupt act, the acts described in the thirty-fifth and thirty-ninth sections were such as were not forbidden by the common law, or, generally, by the statutes of the different States. A preference by an insolvent, or a person approaching insolvency, may sometimes be unjust to other creditors, and, under other circumstances, may be the dictate of the purest justice in reference to all concerned. Preferences are not in their essential nature necessarily immoral or dishonest. The bankrupt act of 1867 gives priority to five classes of debts, to be first paid in full in the order in which they are successively named in the act. Congress, therefore, has adopted a purely conventional rule to determine the validity of mortgages given as security for *bonâ fide* debts, and which operate as preferences. The creditor who receives payment or security to the exclusion of other creditors, with the knowledge, express or implied, of the insolvency, does so at the risk, that, if within four months the debtor himself or his creditors shall invoke the aid of the law providing for an equal distribution, the transaction will be invalidated, and the property thus received must go into the common fund for distribution. This question of construction of the first clause of the thirty-fifth section, considered in connection with the second clause of the same section and the thirty-ninth section, is so fully considered in the very able opinion of the Circuit Court of the United States for the District of Missouri, in the case of *Bean, Assignee, v. Brookmire*, 4 B. R. 57, that we deem it unnecessary to say more upon this point than to express our entire concurrence with the reasoning and decision in that case.

Sustaining, therefore, as we do, the decision of the District judge, that the second clause, commonly called the six-months' clause, of the thirty-fifth section of the act, is not applicable to the case of a simple preference by a bankrupt of a creditor's claim, his decision upon the question of fact, that the circumstances of the transaction between Dow, the bankrupt, and Potter, Denison, & Co., did not, in point of fact, bring the case within the provisions of the second clause, becomes comparatively immaterial.

Appellate courts, even in appeals, proceed upon the ground that

the decree in the subordinate court was correct; and the burden to show error is upon the appellant. *The Baltimore*, 8 Wall. 377, 382. Matters of fact, as well as matters of law, may doubtless be revised in the Circuit Court; but it was not the intention of Congress, in this form of proceeding, to give a party a second trial merely as such, but to secure to him an appellate tribunal for the re-examination and revision of the rulings, orders, and decrees of the district courts, and for the reversal of the same in case they are found to be erroneous. *Littlefield v. The Canal Co.*, 4 B. R. 77. When the revisory jurisdiction of the Circuit Court is invoked over the decision of the District Court upon a question of fact, the burden is on the petitioner for review to show error in the decision. It is not sufficient merely to show such a condition of the testimony in the case, that different minds, with equal fairness, might possibly arrive at different conclusions, but to show, more nearly in analogy to the case of a motion for a new trial, that the evidence cannot support the finding. After a careful revision of the testimony, we see no reason for disturbing the decision of the District judge.

Decree affirmed, with costs.

MASSACHUSETTS DISTRICT.

OCTOBER, 1871.

JOSEPH S. ABBOTT *et al.* v. WILLIAM H. McCARTNEY.

A wagon and other articles, the property of an express company, then in possession of a stable-keeper, attached on mesne process in a suit against the company, were bought at sheriff's sale made under statute of Massachusetts, by the attaching creditors, under an agreement with the sheriff that credit should be given for the articles they might purchase at the sale until the decision of the suit in which the attachment was made. After the sale, the officer and the auctioneer instructed the stable-keeper not to deliver any articles sold, except on production of a receipt for the purchase-money, signed by the auctioneer. Before payment for the wagon, and while it was still in the stable-keeper's possession, and without the knowledge of the purchasers, it was distrained and sold by a United States collector of internal revenue, after notice to the express company, for non-payment of taxes due from the company. *Held*, that the right of property in the wagon vested by the sale in the purchasers, and that they could maintain trespass *de bonis asportatis* against the collector for its conversion.

ACTION of trespass *de bonis asportatis* for a wagon; heard by the court on an agreed statement of facts. The plaintiffs, on the twentieth day of November, 1868, on a writ in their favor against the New England Express Company, caused a wagon and other goods, then the property of the express company, to be attached by a deputy-sheriff. Under the statute of Massachusetts authorizing the sale of property attached on mesne process, the deputy-sheriff employed an auctioneer to sell the property attached, including this wagon. The auction was held Dec. 9, 1868, on the premises of one Johnson, a stable-keeper, where the wagon then was. Many articles belonging to the express company were sold, and the wagon in question was struck off to the agent of the plaintiffs. There was an agreement between the plaintiffs and the deputy-sheriff that they need not pay for what they purchased at the sale until the suit should be decided. They did not pay for the wagon until Jan. 6, 1869, when they gave the deputy-sheriff a due-bill for it and other articles purchased by them at the sale. After the sale, the stable-keeper was instructed by the deputy-sheriff and the auctioneer not to deliver any of the articles that had not already been taken away, unless the purchaser should bring a receipt from the auctioneer showing that the articles had been paid for. Among the articles left was this wagon.

Nov. 13, 1868, the New England Express Company made their monthly return of receipts during the month of October preceding to the assistant-assessor, showing a tax due from the company for the month of October, amounting to \$291.12. Thereafter, on Nov. 20, 1868, a notice that the tax had been assessed, and must be paid on or before the last week-day of November, was sent by the defendant, United States collector of internal revenue, to the New England Express Company. On the third day of December, the tax not having been paid, another notice was sent to the express company by the defendant, that if the same were not paid within ten days, with a penalty of five per cent additional, it would be collected by distraint and sale of property; and accordingly on Dec. 19, 1868, the defendant distrained the wagon in question for said taxes. The wagon was then still on the premises of Johnson, not having been removed by the plaintiffs. On the same day, the defendant left at the office of the express company a notice bearing that date, ad-

dressed to E. B. Taft, of Boston, signed by the defendant, as collector, of distraint of two wagons stated to belong to the express company, for non-payment of taxes due from the company, and that unless the taxes and penalty, with expenses of distraint, were paid before ten o'clock, A.M., of Jan. 2, 1869, the property would be sold by public auction on that day; and the wagon was accordingly so sold.

It was admitted that the taxes were legally assessed against the express company; and that the proceedings of the defendant, except as to notice of distraint and sale, and the proceedings of the State officer, were regular and according to law.

No other notice or document of any sort relating to the distraint and sale was left with any one, but publication was duly made. One E. A. Taft was, at the time, auditor of the express company. There was no other person by the name of Taft at that time connected with or employed by the company.

The plaintiffs knew nothing of the distraint of the wagon, or of the amount of the tax, or of the time or place of sale, until after their payment for the wagon.

George W. Esterbrook, Samuel C. Eastman, for plaintiffs.

John C. Ropes, Francis W. Hurd, for defendant.

SHEPLEY, J. It is contended on the part of the defendant that the plaintiff upon the facts in this case is not entitled to maintain an action of trespass *de bonis asportatis*. So far as the form of action is concerned, the principle of law contended for by the defendant is undoubtedly correct.

The general principle of law is, that, in order to sustain an action of trover, or trespass *de bonis asportatis*, the plaintiff must have had, at the time of the alleged taking or conversion, either possession or a right to the immediate possession of the goods; such a right as to be entitled to reduce the goods to possession when he pleased to do so. *Bloxam v. Sanders*, 4 B. & C. 941; *Smith v. Miller*, 1 T. R. 475, 480; *Ward v. Macauley*, 4 T. R. 489; *Putnam v. Wyley*, 8 Johns. 432; *Mugridge v. Eveleth*, 9 Met. 233. Defendant contends that plaintiffs had not either property, possession, or the right to immediate possession, at the time of the alleged taking. He claims that the property of the express company had not been divested, and did not pass to the plaintiffs, for the reasons that the sale to them was on credit, and that there was no actual delivery of the property. He con-

tends, further, that the possession of Johnson was not the possession of the plaintiffs, and that the plaintiffs had not the right to possession until they paid the price; the officer having a special property in the goods until paid for.

The case of *Prouty v. French*, 2 Pick. 586, is relied upon to show that no property passed by a sale upon credit made by an officer. The case of *Prouty v. French* was the case of a conditional sale on credit on execution. There a speedy sale was indispensable, and the proceeds were needed for the immediate satisfaction of the execution on which the sale had been made. The sale in this case was regulated by an entirely different statute, which provides for a sale on mesne process whenever the parties consent in writing, or whenever the property attached on mesne process may be liable to perish, waste, or greatly depreciate in value by keeping, or cannot be kept without great and disproportionate expense. The object is to hold the goods or the proceeds, in some form or other, till judgment shall be rendered. In reference to such a sale, the Supreme Court of Massachusetts (Morton, J.) say, in *Crocker v. Baker*, 18 Pick. 407, 412, "We do not perceive that the credit given by the officer forms any objection to the validity of the sale. The goods would not sell for less on a credit than they would for cash. The officer might, and probably would, make himself responsible for the price. But neither debtors nor creditors would be liable to suffer. Nor does the statute, expressly or by implication, prohibit this mode of sale."

The proceedings of the officer being legal, the property vested in the purchasers. There was an agreement between the sheriff and the plaintiffs that they should have credit on their purchases until the suit was decided. Where goods are sold, and nothing is said as to the time of delivery or the time of payment, and every thing the seller has to do with them is complete, the property vests in the buyer, so as to subject him to the risk of any accident which may happen to the goods, and the seller is liable to deliver them whenever demanded, upon payment of the price; but the buyer has no right to have possession of the goods till he pays the price. If goods are sold upon credit, and nothing is agreed upon as to the time of delivering the goods, the vendee is immediately entitled to the possession, and the right of possession and the right of property vest at once in him; but his right of possession

is not absolute ; it is liable to be defeated if he becomes insolvent before he obtains possession. *Bloxam v. Sanders*, 4 B. & C. 941. After the sale, the purchaser on credit was immediately entitled to the possession, and his right was not divested by the general instructions given by the officer and the auctioneer to the stable-keeper, after the sale, not to deliver the articles sold to the purchasers until they should bring a receipt from the auctioneer showing they had been paid for. Abbott, the purchaser, had, under his agreement for credit, a right of immediate possession against the officer, subject only to be divested by the insolvency of the purchaser and a stoppage *in transitu* by the vendor. Consequently, he had the same right as against the stable-keeper, who was but the servant of the officer or auctioneer, as he was not a party to the instructions given to the stable-keeper, and does not appear to have assented to them.

After the sale, the express company was neither the owner nor the possessor of the property sold. The ownership was in the purchaser, and the possession was in the stable-keeper, as the agent of the officer or the auctioneer or the plaintiffs, certainly not as the agent of the express company.

The notice, therefore, of the sale by the collector of internal revenue not having been given as required by law to the owner or possessor of the property, was insufficient, and the collector, at the time of the sale having no paramount lien on the property sold, must be considered as a trespasser. After the sale on execution, the sheriff became accountable for the proceeds of the sale. Any surplus of funds in his hands, beyond what might be required to satisfy the execution issued in the suit on which the property was attached and sold, would be liable to a subsequent attachment ; but the mere fact that there was no actual delivery to the purchaser would not let in another creditor to a priority of title. The case of *Lanfear v. Sumner*, 17 Mass. 119, has no application to a case of this kind.

Judgment for plaintiffs.

JANUARY, 1872.

JOSEPH BAKER *et al.*, Claimants, Appellants, v. JEREMIAH SMITH
et al., Libellants.

JOSEPH BAKER *et al.*, Libellants, Appellants, v. JEREMIAH
SMITH *et al.*, Claimants.

On an appeal from a decree of the District Court, based wholly upon its finding on a disputed question of fact, the burden is on the appellant to show affirmatively a mistake in the finding. The decree will not be reversed where the evidence is such as merely to raise a doubt in regard to the question of fact.

ADMIRALTY appeals from decrees of the District Court of Massachusetts in cases of cross-libels for damages caused by a collision between the schooners Nellie Doe and Trade Wind. The only question in the cases was whether or not the Trade Wind had a proper light at the time of the collision.

T. M. Stetson, for appellants.

Marston & Crapo, for appellees.

SHEPLEY, J. These cases, which were heard and tried together, are appeals from the decrees of the District judge for the District of Massachusetts, sustaining the libel of the owners of the Trade Wind against the Nellie Doe, and dismissing, with costs, the libel of the owners of the Nellie Doe against the Trade Wind.

The cases, which grew out of a collision between the two vessels in Vineyard Sound, about three miles northerly of Cape Pogue, present, for the consideration of the court, questions purely of fact. In cases of this description there is usually great discrepancy and conflict in the testimony of the witnesses; and where the decision of the District judge is based entirely upon his finding upon a disputed question of fact, and no error is alleged in his application of the law to the facts, parties can hardly expect this court to reverse such a decree, merely by raising a doubt founded on the number or credibility of the witnesses. The appellant, in such a case, has all presumptions against him, and the burden of proof cast on him affirmatively to show some mistake, made by the judge below, in the law or the evidence. It will not do to show that on one theory, supported by some witnesses, a different decree might have been rendered, provided there be sufficient evidence, to be found in the record, to establish the one that was rendered. *The Marcellus*, 1 Black, 417.

On the twenty-first day of January, 1868, the schooner Trade Wind was lying at anchor in the Vineyard Sound, two or three miles north-east by east from Cape Pogue. There was a fresh wind from east to north-east. The weather was cloudy or misty, and there had been some snow-squalls. But it was not foggy, nor was the air so obscured that a vessel's light could not have been seen at a considerable distance, and, by a proper lookout, at a sufficient distance to have avoided a collision. The Trade Wind does not appear to have been anchored in an unusual place, or moored in an unusual manner. She was anchored in a "fair-way," under circumstances in which she was bound "to exhibit, between sunset and sunrise, where it could best be seen, at a height not exceeding twenty feet above the hull, a white light in a globular lantern of eight inches in diameter, and so constructed as to show a clear, uniform, and unbroken light, visible all around the horizon, and at a distance of at least one mile," as provided in art. 7 of the act of April 29, 1864 (4 Stats. 259).

The schooner Nellie Doe had been at anchor in the early part of the night off Chatham. She had got under way, and was running for Holmes Hole, with the wind free, with mainsail, foresail, and two jibs set; and about half-past three in the morning, sailing in a westerly direction up the Sound, she ran into the Trade Wind, and both vessels were damaged.

The only negligence on the part of the Trade Wind specifically charged in the answer of the claimants of the Nellie Doe is in the allegation that the Trade Wind was "at anchor in the frequented track of vessels, without showing any signals, lights, or any mode whatever of notifying her presence to vessels on their course, and totally invisible to and unseen by the officers and crew of the Nellie Doe."

If the proof sustains this allegation, then the Trade Wind was in fault.

The master, mate, and one seaman, on board the Trade Wind, testify affirmatively and positively that there was a white light in the starboard fore-rigging, about fifteen or twenty feet above the deck; that it was a globe lantern, such as is generally used for a signal lantern on vessels of that class, and that it was burning brightly at the time of the collision; and the testimony of Sylvia, a Portuguese sailor on the Trade Wind, who was examined on other points in behalf of the Nellie Doe, tends to confirm the tes-

timony of the three other witnesses, so far as the light is concerned.

Five witnesses from the Nellie Doe testify that they did not see a light on the Trade Wind, and most of them are quite positive that if there had been a light burning they could have seen it. And it is quite clear from all the testimony in the case that the light, if brightly burning, could have been seen that night at a distance of at least a mile, by persons who were looking for a light. But, taking into consideration the affirmative character of the testimony, on the one side, and the merely negative character of the testimony on the other, after a careful review of all the testimony, and taking into consideration all the attending circumstances, — the relative position of the two vessels, the position of the sails of the Nellie Doe, the direction from the vessels of the West Chop Light, — it seems not difficult to explain the apparent contradiction in the testimony, by the fact that the light of the Trade Wind was obscured from the lookout on the Nellie Doe by the intervention of the sails of the Nellie Doe at a time when the eyes of those on board the Nellie Doe were so intently strained in looking in a different direction for the West Chop Light, that they failed to discover the light of the Trade Wind, which they might readily have done had they been looking in that direction.

Although the evidence on this point cannot be fairly considered as of a character not likely to raise a doubt in relation to the facts so affirmatively and positively testified to by the witnesses from the Trade Wind, yet it cannot be considered as affirmatively showing that there was any mistake in the finding of the District judge upon this question of fact. On the other hand, the preponderance of the evidence seems to sustain the decree of the court below.

Decree affirmed, with costs.

JANUARY, 1872.

EDMUND H. GRAHAM *et al.* v. WILLIAM MASON.

Where an infringing mechanism is a part of a machine made and sold by the infringer, the owner of the patent is entitled to recover in equity the profits realized from the manufacture and sale of the patented mechanism only, without regard to the profit or loss on the whole machine of which the patented mechanism forms a part, and without deduction of losses on infringing mechanisms made and sold at a loss.

Some of the infringing mechanisms made and sold by the defendant in a suit in equity on a patent, were made after a pattern of his own, differing from the complainants' in form, which was claimed to increase the value, and lessen the cost of manufacture, of the mechanism. *Held*, that the complainants were entitled to recover all the profits on all the mechanisms, including those made according to the defendant's own pattern.

An infringer sold parts of infringing mechanisms to repair and restore such mechanisms previously sold by him. *Held*, that the complainants were entitled in equity to recover the profits made on the sales of such parts, as well as on the sales of the original mechanisms.

Where complainants received from the defendant a sum in full settlement of the complainants' claim against certain purchasers of infringing machines from the defendant, with an express agreement that the settlement should not affect the complainants' rights as against the defendant,—*Held*, that the sum so received should not be deducted from the defendant's profits, nor added to the cost of manufacture of the machines.

EXCEPTIONS to the master's report of profits made by the defendant from his infringement of reissued letters-patent granted Edmund H. Graham and Wanton Rouse, May 27, 1867. The original patent was granted to Graham Oct. 16, 1860.

J. E. Maynadier, for complainants.

Benjamin Dean, for defendant.

SHEPLEY, J. The master reports in this case, that, since the date of the last reissue of the plaintiffs' letters-patent, May 28, 1867, the defendant "has manufactured certain 'bridle-motions,' " being the same mechanism pronounced by the court to be an infringement of the plaintiffs' patent in this case; and he annexes an account of the profits resulting from this manufacture, in a schedule marked A, making a part of his report. The master further reports that the defendant made and sold said "bridle-motions" after said reissue, with and as a part of looms manufactured in his establishment; that the profits resulting from the manufacture of said "motions" so sold have min-

gled with the profits of the manufacture of said looms. The cost of making said looms during the time under inquiry was \$59.63, including said "bridle-motion." The cost of making said motions was $45\frac{1}{2}$ cents each, or 91 cents for each loom. The profit resulting from the manufacture of said looms, complete with said "bridle-motion," was \$5.64 for each loom.

Defendant contended that the plaintiffs were entitled to claim, as profit resulting from the manufacture of said "bridle-motions" when sold with the looms and as a part thereof, only a sum that would bear the same proportion to said sum of \$5.64, the whole profit, that 91 cents, the cost of the pair of "bridle-motions," would bear to \$59.63, the cost of the whole loom, which would be eight and six-tenths ($8\frac{6}{10}$) cents. The master declined to adopt that rule, and on that ground the defendant excepts to his report.

In the opinion of the court, the rule contended for by defendant was clearly erroneous. The complainants had no right to any portion of the profits which the defendant made upon the looms to which the infringing mechanism was attached. Although in the case of *Seymour v. McCormick*, 16 How. 480, the court was called upon to adjudicate upon the question of damages in an action of law for the infringement of the patent, much of the reasoning of the court, and many of the distinctions there laid down, are equally applicable to the determination of questions of profits, recoverable by bill in equity. Especially applicable are the two illustrations adverted to by the distinguished justice of the Supreme Court of the United States, who delivered the opinion in that case. The unauthorized use of Stimpson's patent turnout on a railroad would not involve a liability to account for the profits of the road; nor could the profits made by the railroad in the case of the infringing turnout be measured by any ascertained ratio of the profits on the road. The patentee of a steam-whistle or a cut-off is not entitled to all the profits made on the manufacture of a locomotive-engine by one who may have used his improvement without his license. So, if the manufacturer of the locomotive-engine has sold it at a higher price than he would without the addition of the patented cut-off or whistle, or if he has in any way made a saving of expense or a profit to himself by the piracy of the patented improvement, the patentee is entitled to recover that profit, without regard to the fact that the infringer has made no profit on the manufacture and sale of

the whole machine to which he has attached the patented contrivance or mechanism.

In making up the account of profits, the master sometimes takes into account the cost of the whole number of infringing mechanisms or contrivances made by the defendant, and the proceeds of all the sales, and gives the patentee the net profits on the whole amount manufactured. This would be a correct rule in some cases, but it would not be just to the patentee in cases where the infringer had made profits on one fraction of the whole number made and sold, and, through defective manufacture or unskilful management of his business, had met with losses on a larger fraction, so that a correct account of the whole operation would show a loss on the total manufacture. In such a case, if the patentee, with a full knowledge of all the facts, should bring his bill, declaring specifically for the infringement only by the manufacture of those specified mechanisms in the making and selling of which the infringer had made profits, he would certainly be entitled to recover the profits thus made. It is not easy to see why he is not entitled to such profits in a bill counting generally against the infringer, without offset or deduction for losses made in the manufacture and sale of other infringing mechanisms.

It must be apparent to the most superficial observer of the immense variety of patents issued every day that there cannot, in the nature of things, be any rule of damages or any rule for estimating profits which will equally apply to all cases. The mode of estimating profits or damages must necessarily depend on the peculiar nature of the monopoly granted. *Seymour v. McCormick*, 16 How. 480. Where the patentee is entitled to damages, the rule must be so modified as to afford him indemnity, and give him the actual damage he has suffered by the infringement. Where he is entitled to profits, he is entitled to any profit the infringer has made by the unlicensed use of the contrivance included in the monopoly, and of that alone, without regard to profit or loss on the whole structure or machine of which such mechanism forms a part, and without recoupment for losses on other infringing mechanisms made or sold. The mode of computation adopted by the master in this case appears to have been correct and just, and the exception to his report, because he did not adopt the rule contended for by the defendant, is overruled.

Exception is also taken to the master's report because he reported \$451.56 as the profits on 414 "bridle-motions" sold separately from looms, while defendant contends that a portion of those profits were due to the defendant's use of a pattern of his own making; also, because he reported as profits the sums of \$218.89 and \$576.75 on parts of "bridle-motions" sold to repair and restore other "bridle-motions," once estimated by the master, and also for the reason that the profits were increased by the use of a pattern made by the infringer. As the motions and parts of motions were all infringements, and the pattern made by the defendant was an infringement, the profits allowed were only on infringing mechanisms: it does not affect the question of profits because the infringer could make his infringing contrivance cheaper than he could make the contrivance in the exact form and shape described in the patent. Nor does the rule with regard to the renovation and repair of licensed machines apply to cases of infringement. The report of the master as to these items is sustained, and the exception overruled.

The remaining exception of the defendant to the master's report is, because the master refused to allow, in reduction of the defendant's profits, the sum of \$1,000, paid by the defendant according to the terms of a paper annexed to the report, and marked "D." It appears that the patentee, being about to proceed against the persons and corporations who were using the "bridle-motions" purchased of Mason, the defendant, in order to prevent them from being harassed by such suits, the defendant paid, and the complainants received, the sum of \$1,000 in full satisfaction of the complainants' right to recover against the persons and corporations who were using the "bridle-motions" purchased of the defendant, and as a tariff for the future use of such motions. But it was expressly stipulated and agreed, in the paper marked "D," "that this settlement does not affect in any manner our (the complainants') right to recover profits or damages from Mr. Mason for his infringement of said patent, and that the suit of *Graham et al. v. Mason* shall proceed precisely as if this settlement never had been made." The master was correct in refusing to deduct this sum, received under this agreement from the profits, or adding it to the cost of manufacture. The exception is therefore overruled.

The complainants' exception to the master's report is also overruled, for reasons already stated.

The master's report is approved. Final decree to be drawn and submitted to the court for the amount of profits (\$3,329.40), according to schedule "A," annexed to the master's report, with costs.

Decree accordingly.

JANUARY, 1872.

THOMAS L. JENKS *et al.*, Appellants, v. WILLIAM COX, Libellant.

A seaman, duly discharged at his own request from a whaling-ship at a foreign port, is entitled to be paid the *pro rata* part of his lay, reckoned according to the value of the catch at the home port.

Where the *pro rata* share of the lay of a seaman, duly discharged at his own request from a whaling-ship at a foreign port, is reckoned, against his protest, according to the value of the catch at such port, instead of at the home port, and settlement is made by the seaman on such valuation, because he can obtain no other, he is not estopped by such settlement from afterwards claiming the difference between the sum paid him and his *pro rata* share of his lay, reckoned according to the value of the catch at the home port.

ADMIRALTY appeal from a decree of the District Court of Massachusetts in favor of the libellant. The case is stated in the opinion.

T. K. Lothrop, for appellants.

George Marston, for appellee.

SHEPLEY, J. The libellant claims for a balance due to him for his one seventy-eighth part or lay in the proceeds of a whaling voyage in the bark Covington, of which the respondents were owners. The libellant was discharged at Honolulu in November, 1863, after having served faithfully as mariner and boat-steerer from the commencement of the whaling voyage in November, 1860, to the time of his discharge. The settlement was made before the consul at Honolulu; and the libellant was paid at consular rates, according to the price of oil then current in Honolulu, with a deduction of two and one-half per cent commission to the consul.

The question raised by the pleadings is, whether the libellant, under the circumstances of the case, is bound by the settlement at Honolulu, at prices and rates assumed by the consul there, or whether he is entitled to a settlement of the voyage at the home port, and at home prices. It is agreed in the case, that, if he is

entitled to recover, he is to recover the sum of four hundred and seventy-eight dollars and fifty cents wages, being the amount of the judgment in the District Court, and interest thereon to be added, that being the difference between the sum actually received by him on the settlement before the consul, and the amount he would have been entitled to receive upon an order upon the owners for his lay of the oil, taken at the time of his discharge, at the home prices.

In whaling voyages, the shipping-articles usually contain a clause, providing, that if any officer or seaman shall be prevented by sickness or death from performing the entire voyage, he shall be entitled to such part of the whole amount of his stipulated share as the time of his services on board shall be of the whole term of the voyage.

It has also been the usage and uniform practice, where seamen serve but part of the voyage, to ascertain the time they did serve from the shipping-papers or other proper documents, and to settle with them in the same manner as is expressed by the shipping-papers in relation to persons leaving the ship in consequence of sickness or death, unless there should exist a special contract or written agreement to the contrary.

Courts of admiralty have adopted the rule provided in the articles for cases of separation by death or sickness, by analogy, and as in itself just and reasonable, as the rule to be applied in other cases of separation from the vessel. But if there are circumstances showing that the *pro rata* settlement would not be just and reasonable, or if any other mode was fairly agreed upon at the time the man left the vessel, the *pro rata* settlement would not be adopted, the object of the court being to carry out the intention of the parties which they have not expressed. *Hathaway v. Jones*, 2 Sprague, 57. It is not important to consider the testimony in the record in relation to the cause for which the seaman desired his discharge. It is immaterial whether he asked for it, as he claims, upon a well-grounded distrust of the seaworthiness of the vessel, or whether, as the respondents aver, he applied to the master to be relieved from his contract for the performance of the voyage, and to be discharged from the vessel solely because of his roving and restless disposition. In answer to an interrogatory as to the circumstances of his discharge, the master, whose testimony was taken in behalf of the respondents, answers, "He

was discharged at his own request, by mutual consent." The master testifies in substance that, after advising the seaman to remain in the ship, and still finding him persistent in his desire to leave, he told him to come to the United States consul's office two days after that, and he would settle with him. The consent to the discharge was absolute and unconditional, and it was necessary that the discharge itself should be made before the consul.

Courts of admiralty will carefully scrutinize a settlement made with a seaman under such circumstances. Where each party acts freely, and the terms upon which the contract of service shall be dissolved are mutually agreed upon, each party understanding the state of the voyage at the time, and contracting for a given amount, — taking into consideration the pecuniary terms proposed, and the probabilities of the future, — the seaman will be held to abide the settlement thus made, however disadvantageous it may prove, on final settlement of the voyage, to have been to him.

The discharge by consent gave the libellant a right to his lay *pro rata* of the oil taken. The difference between the computations of the consul and the amount due the libellant upon a settlement at home is so great, that the libellant ought not to be deprived of that to which he was justly entitled, without positive proof that he has relinquished his claim by a settlement which was just and fair, made with a full understanding of the matter, and without any duress.

The libellant testifies that he went ashore on the day of discharge, and told the master for the second time that he wished an order on the owners. "He refused to give it to me. We then went to the American consul's, and I was discharged there; and, while being discharged, I told the American consul, Captain Jenks being present, that I did not think it right or just to pay me off Sandwich Island prices. The captain said he should not deviate; and therefore I was paid off Sandwich Island prices."

The master testifies as follows: "I told him to come to the United States consul's office two days after that, and I would settle with him. At the time appointed he came there and met me; the consul asked him if it was by mutual consent, and he said yes; he asked him if the bill was all right, read him the amount of it, and asked him if it was right, and he said yes. The consul reckoned up his bills for the voyage, and likewise figured his voyage. I gave him the money, and he paid the man

off. He signed his clearance for all dues and demands on the ship at that time. That finished the interview, and I let him go." He also testifies that when Cox received the money he made no objection, made no remarks, did not say any thing, and utterly denies that Cox ever had any conversation with him at the consul's office, or anywhere, upon the subject of an order on the owners, or on the subject of the settlement, or the terms of the settlement. He testifies that he doesn't know that Cox examined or looked at the figures of the consul; that he had nothing to say about it; took his money, and went off. The consul asked him if it was right, and he said it was. The master also admits that he discharged ten or twelve other men during the voyage, and paid them by orders, when they asked for them.

It certainly does not seem probable that a settlement was made in the manner described by the master. It is difficult to believe that the settlement was made on the basis of Honolulu prices, instead of an order on the home port, without any thing being said either to the master or the consul, or by either of them, to the seaman upon the subject of the basis on which the settlement was to be made. The account given by the master is so improbable in itself, that it fails to convince the court that the libellant's statement is not correct, — that he protested against the payment, and only received it because he could get no other settlement.

There is no pretence that his rights were explained to him by the master or the consul, or any offer made to him to give him an order on the owners at the home port. We do not therefore think the settlement was made under such circumstances as would estop the libellant from claiming the balance due him, being the difference between the sum paid him and the *pro rata* share of his agreed lay at the home prices.

Decree affirmed, with costs. Judgment for libellant, with interest at six per cent.

FEBRUARY, 1872.

JOEL F. FALES *et al.* v. FREDERICK B. WENTWORTH.

GEORGE W. CHIPMAN v. SAME.

A preliminary injunction to restrain infringement of a patent refused, where the court was in doubt as to the validity of the patent.

The claim of a patent was for "a carpet-lining composed of a lap of soft, sheet, fibrous material, surfaced or protected not only on its opposite sides, but also around its opposite edges." One mode of making the lining was described in the patent to consist in leaving the fibrous material narrower than the sheets of paper between which it was placed, and then uniting the edges of the sheets by paste or cement. *Held*, that the patent was infringed by a carpet-lining made by enclosing a lap of fibrous material in a single wide sheet of paper, the edges of which were folded over so as to overlap along the centre of the lap, and there secured to each other and the lap by a line of stitching.

B. F. Brooks, J. D. Ball, for complainants.

J. S. Abbott, C. S. Lincoln, for defendant.

SHEPLEY, J. The patent of Fales, upon which the bill in equity first named was filed, was granted Feb. 27, 1866, and reissued March 14, 1871. The Chipman patent, upon which the second bill is based, was granted Dec. 18, 1866, and reissued July 12, 1870.

The claim in the Fales reissued patent is for "a carpet-lining substantially as described, the filling of which, and the paper adjoining such filling, are retained together by means of stitching." The carpet-lining described in the specification and drawing was "a sewed or quilted carpet-lining, . . . composed of a filling, such as a layer of cotton, or some equivalent material, contained between two surfaces of the paper employed to enclose said filling, . . . the stitches or sewing retaining the filling and adjoining surfaces of the paper, . . . being applied in rows running lengthwise of the carpet-lining, and they pass through from surface to surface of the paper, thereby connecting the adjoining surfaces and the filling together."

The claim in the Chipman patent is for "a carpet-lining composed of a lap of soft, sheet, fibrous material, surfaced or protected not only on its opposite sides, but also around its opposite edges." After describing the invention as obviating the objections of want of unity of the parts in carpet-linings previously patented or in use, and also obviating the objection that dust and

moths accumulated in the fibrous filling along the open edges of the paper or other fabric with which the fibrous lining was surfaced, the patentee describes his invention as consisting "in enclosing the lap of fibrous material between two surfaces of paper when the lap is also enveloped or surrounded at its edges, so that, in effect, the lap is enclosed in a bag-like or flat tube-like wrapper, both broad surfaces, and the opposite edges being all protected, instead of having only the top and bottom surfaces protected with paper left open at the edges, as in all carpet-lining of this kind made previous to my invention."

In practice, the Chipman carpet-lining was made by leaving the fibrous material narrower than the sheets of paper between which it was placed, and then uniting the edges of the surfacing sheets which extended beyond the layer of fibrous material by paste or cement, thus rendering it impervious to moths or dust. This is described in the patent as one mode in which the invention may be practised; but the claim is broader, as before stated, covering, in fact, any carpet-lining composed of a sheet of fibrous material enclosed in a bag-like or flat tube-like wrapper, thus "surfaced or protected not only upon its opposite sides, but also around its opposite edges."

Briefly stating the claims of the two patents, so far as the claim of novelty is concerned, (the use for this purpose of the materials named being old,) the Fales patent claims the use of sewing or quilting together the lap and the surfacing material; and the Chipman patent, the enveloping or enclosing the lap in a bag-like or flat tube-like wrapper.

In view of the state of the art at the date of the Fales patent, and the fact that sewing or quilting fibrous material interposed between two opposite surfacing fabrics was in common use, the court entertain so much doubt of the validity of the broad claim in the Fales reissued patent, as to be unwilling to issue the preliminary injunction at this time, leaving the question of the validity of the patent to be decided on a final hearing of the case.

.. The motion for an injunction in the case of *Fales et al. v. Wentworth* is therefore denied.

The carpet-lining manufactured by the respondent, and alleged to infringe the Chipman patent, is made by enclosing the lap of fibrous material in a single sheet of paper. The lap of soft fibrous material is first deposited on the central portion of the

paper, and the paper is then folded over the lap, the two edges of the paper overlapping each other over the centre of the fibrous material, where they are secured to each other and to the lap by a line of stitching through the lap. This is evidently an improvement over any of the other carpet-linings in use. It dispenses with the use of any paste or cement, the use of which is objectionable, as attracting moths and other insects; and it allows the lap to extend the entire width of the lining. But it does also embody the invention claimed in the Chipman patent of enclosing the lap in a flat tube, so that the lap is surfaced or protected not only on its opposite sides, but on its opposite edges. Although the defendant is manufacturing the Wentworth star-lining under a patent, and although the article manufactured by him is manifestly an improvement over that patented to Chipman, yet it is a familiar rule of law that a patent for such an improvement does not *per se* give the right to use the thing improved upon. In order to make his patent available, the patentee of an improvement upon a patented article must have the consent of the original patentee, where he cannot use his improvement without using the patented thing improved upon. The affidavits do not make out a case of knowledge or use prior to the date of Chipman's invention; and, for the purposes of this hearing, we must consider the reissue of the Chipman patent to have been rightfully granted by the Commissioner of Patents, as, upon the face of the reissued patent, it does not appear to have been for an invention not within the terms of the description in the original patent.

In the case of *Chipman et al. v. Wentworth*, the injunction is to issue, as prayed for in the bill, unless the respondents give a bond, in a sum to be fixed by the court, to respond in such damages, if any, as may be awarded upon final decree for any infringement of complainant's patent between the date of this decree and the final decretal order in the cause; and a decree may be drawn up accordingly, and submitted to the court.

Decree accordingly.

FEBRUARY, 1872.

WINTERPORT GRANITE AND BRICK COMPANY, Libellant,
Appellant, v. SCHOONER JASPER, F. W. NICKERSON *et al.*,
Claimants.

The agent of the owners of a cargo of wood, described in the bill of lading as consisting of ninety-five cords, more or less, while the vessel was lying in a port to which she had been taken in an unseaworthy condition, offered by letter to sell the wood to the master of the vessel, at a certain price "per cord, for the quantity shipped." The master seasonably mailed to the agent an acceptance of the offer, and on the next day wrote that he would have the wood surveyed, and would remit as soon as he could make it convenient. On receipt of these communications, the agent replied, claiming that the term "quantity shipped" in his offer meant the quantity "as per bill of lading," and requiring the master at once to remit the proceeds, with the bill of lading to verify the account, and notifying him that the wood was not his "property to move away or dispose of until he complied with these conditions." Before this reply was received, the master sold the wood, which on survey proved to contain seventy-eight cords and one foot. *Held*, that the sale was complete, and the title to the wood vested in the master, when his acceptance of the offer to sell was mailed.

A voyage from Maine to Boston was abandoned on account of unseaworthiness of the vessel, caused by perils of the seas, and the vessel taken to an intermediate port, where the agent of the owners of the cargo sold the cargo to the master. *Held*, that the owners of the cargo had no lien upon the vessel for non-delivery of the cargo at the port of destination.

ADMIRALTY appeal from a decree of the District Court of Massachusetts, dismissing a libel against the schooner Jasper. The case is stated in the opinion.

George W. Esterbrook, for appellants.

D. A. Gleason, C. W. Phillips, for claimants.

SHEPLEY, J. Libellant shipped, in November, 1867, a quantity of pine-wood on the schooner Jasper, then lying in the port of Winterport, Me., to be transported to Boston and delivered to Phinley W. Reed, the agent of the libellants. The master of the schooner gave libellants a bill of lading for ninety-five cords, more or less, with the usual exception of the perils of the seas. The vessel sailed on her voyage, and proceeded down the Penobscot River as far as Bucksport Narrows, when a heavy squall from the north-west drove the vessel ashore, where she lay two tides, causing her to leak badly. After getting her off, the master proceeded with her down the river to the port of Stockton, where the master came to anchor, and called a survey, which pronounced the vessel unseaworthy.

The crew then left the vessel on account of her unseaworthy condition. The master remained on board, and with some assistance took the vessel to Rockland, where the wood was landed and subsequently sold. In October, 1868, this libel was filed, alleging the shipment of ninety-five cords of wood, according to the bill of lading; that the master converted to his own use seventy-eight cords thereof, and carelessly and negligently lost the balance; and praying for process against the schooner, her tackle, apparel, and furniture.

The answer admits the shipment of the cargo, but denies that the amount shipped exceeded seventy-eight cords and one foot; alleges that the schooner sailed from Winterport with that quantity on board; that without fault of the master or crew she was driven ashore, and became unseaworthy and unable to complete the voyage; that she was got off in a reasonable time thereafter, and as soon as it could be done, and proceeded to the port of Stockton, where the master immediately notified the agent of the libellants of the facts; and that thereupon the libellants, through their agent, bargained and sold all the wood to Josiah G. Staples, the master of said schooner. The answer alleges that the voyage was terminated at Stockton by the perils of the seas, without default for which the schooner would be liable; and that the liability of the schooner then ceased, any further detention of said wood having been solely in pursuance of the contract of sale between the libellants and Staples.

At the time of the shipment of the cargo, Olessor Gray and William R. Ginn were part-owners in the Jasper. In January, 1868, they sold their interest to Henry S. Staples, who owned the remaining shares in the schooner. In June, 1868, Staples sold the schooner to George W. Reed and William B. Reed, of Bangor, Me. From the time of the disaster to the time of filing the libel the schooner was either in the District of Maine or the District of Massachusetts, or on voyages between ports in said districts, being frequently in the ports of both districts. Libellants are a corporation established by the laws of Massachusetts, and having also a place of business and agents at or near Winterport, in Maine.

On the 22d of November, the master advised the agent of the libellants that the vessel had been ashore, and was not seaworthy to perform the voyage; that he would be obliged to dis-

charge the cargo, and pile the wood on the wharf; that the vessel would require to have the sheathing taken off, and to be recaulked and sheathed, which, on account of the ice, could not be done until spring. He then inquires of the agent, "What is the least you will take for the wood here?" On the 25th of November, Reed acknowledges the receipt of the master's letter of the 22d, and writes, "Should you prefer to buy rather than ship the wood, you can have it for four dollars per cord, for the quantity shipped." On the 29th of November, the master writes to Reed, acknowledging the receipt of Reed's letter of the 25th, and accepting his offer of the wood.

On the 30th of November, Staples again writes to Reed, "I have concluded to take up with your offer. I think of going to Rockland, and do the best thing I can with the wood, and I will remit the money as soon as I can make it convenient. I will get a sworn surveyor on the wood, and good measure as I can."

On the 3d of December, Reed writes to Staples acknowledging the receipt of Staples's letter of the 30th, but claiming that Reed's offer to sell for "four dollars per cord for the quantity shipped" "means per bill of lading," and requiring the master at once to remit the proceeds, with bill of lading to verify the account, and notifying Staples that the wood was "not his property to move away or dispose of until he complied with these conditions." Before this letter was received, Staples had sold the wood for four dollars and thirty-seven cents per cord in Rockland, accounting to the owners for the advance of thirty-seven cents per cord, as freight from Winterport to Rockland.

The offer to sell the wood to Staples, and his acceptance, were both unconditional. When a proposition is made in writing, and sent by post, the person making the offer can retract or modify by a subsequent letter reaching the other party at any time before an answer of acceptance is written and put in the mail. But as soon as such answer is placed in the mail, the contract is closed as to both parties. Although a letter of retraction be actually on the way at the time when the letter of assent is mailed, yet the contract is closed, unless such letter of retraction be received prior to the mailing of the letter of assent. The acceptance by written communication takes effect from the time when the letter of acceptance is sent, and not from the time when it is received by the other party. *Adams v. Linsdell*, 1 Barn. & Ald. 681;

Dunlop v. Higgins, 1 Cl. & Fin. 381; *Tayloe v. Mer. F. Ins. Co.*, 9 How. 390; *The Palo Alto*, Daveis, 344; *Mactier v. Frith*, 6 Wend. 103.

The property was in the possession of Staples, and no formal delivery was necessary to change the title. His letter of acceptance reached Reed before Reed's letter of Dec. 3 was written. And even if the modification of the contract by the letter of Dec. 3 took effect, and the wood was not to become the property of Staples "to move away and dispose of until he had complied with the conditions" of that letter, it is clear that, after that time, he would hold the cargo, not as the agent of the owners of the schooner, but subject to the arrangement between Staples and the owners of the cargo. The owners of the schooner, after that time, were under no obligation to forward, in fact they had no right to forward, the cargo to Boston, the place of its original destination. If the libellants had any lien on the cargo until the price was paid, they clearly had no lien against the vessel, having waived any right to have the cargo delivered in Boston, and consented to accept it at an intermediate port.

And if any claim existed against the vessel, libellants should have enforced it within a reasonable time. What is a reasonable time is a question dependent upon the circumstances of each case; and the court, in the exercise of its discretion in determining this question, will be guided by the evidence of opportunities to enforce the lien, of the lapse of time, of the change, if any, of ownership. In this case, ten months had elapsed; the vessel had been in Massachusetts four times, and she was in Boston eighteen days before being libelled, consigned to the same person who, as agent of the libellant, had been the consignee of the cargo in controversy, and had been publicly advertised and sold before the service of the libel. If the libellants had any lien, they would have lost it by their neglect to enforce it under such circumstances.

*
Decree affirmed, with costs.

FEBRUARY, 1872.

In re THE INDEPENDENT INSURANCE COMPANY, CHESTER I. REED *et al.*, Petitioners.

An insurance company, duly authorized under the law of a State to transact the business of insurance, is a "business or commercial" corporation, within the meaning of the bankrupt act of March 2, 1867.

In a proceeding by the State insurance commissioner against an insolvent insurance company, under Gen. Stats. of Massachusetts, chap. 58, sect. 6, a decree was made appointing receivers of the company's property, with authority to collect its assets and pay its debts. making perpetual an injunction against the further prosecution of its business, and declaring "that the said corporation be and the same is hereby dissolved." *Held*, that proceedings in bankruptcy against the company, subsequently commenced, could be maintained notwithstanding the decree of the State court.

PETITION for revision of a decree of the District Court adjudging the Independent Insurance Company of Boston a bankrupt.

Chester I. Reed, J. R. Bullard, for petitioners.

Charles R. Train, J. O. Teele, for creditors.

SHEPLEY, J. The Constitution of the United States confers upon Congress the power to establish uniform laws on the subject of bankruptcies throughout the United States. Unquestionably, Congress is as competent to apply such laws to private corporations created by the States as to natural persons or private corporations created by authority of Congress. *Sweatt v. The B., H. & E. R. R.*, 5 B. R. 240. Congress has exercised the power, thus conferred upon it by the Constitution, by the enactment of the bankrupt act; and "the provisions of this act apply to moneyed, business, or commercial corporations."

Having thus exercised this power in the enactment of the bankrupt act, and the Constitution further providing that the laws of the United States, which shall be made in pursuance of the Constitution, shall be the supreme law of the land, the inference is irresistible, that State laws on the subject of bankruptcy and insolvency must yield to the law of Congress on the same subject, where the State law applies to the same subject-matter; and where it differs in material respects from the law of Congress, it appears clear that the State law is suspended, while the law of Congress remains in force. *Thornhill v. Bank of Louisiana*, 5 B. R. 372; *Ex parte Eames*, 2 Story, 322; *Sturges v. Crowningshield*,

4 Wheat. 122, 196 ; *Ogden v. Saunders*, 12 Wheat. 213 ; *May v. Breed*, 7 Cush. 40 ; *Griswold v. Pratt*, 9 Met. 23.

The Independent Insurance Company of Boston is a corporation created by the laws of Massachusetts to transact the "business" of insurance. It is clearly included in the class of "business or commercial corporations" to which the provisions of the bankrupt act apply. After the passage of the bankrupt act, it became insolvent, and committed such acts of bankruptcy as clearly constituted it one of those "corporations whose pecuniary condition brings them within the provisions of the act, entitled to the benefits which the act confers, and subject to all its obligations and requirements." *Sweatt v. The B., H. & E. R. R.*, 5 B. R. 239.

After this time, the operation of any State law regulating the assignment and distribution of the property of the insolvent debtor corporation, and affecting the same persons, property, and rights that would be affected by proceedings under the bankrupt act, was suspended. It was not the intention of the framers of the Constitution, or of Congress, when it enacted the bankrupt act, to have in existence two distinct and diverse systems affecting the same persons, property, and rights, leaving it to the option of the debtor to elect one or the other at his pleasure. In the language of the Supreme Court of Massachusetts in *Griswold v. Pratt*, 9 Met. 23, "When the power is exercised by Congress, and a bankrupt law is in force, it does suspend all State insolvent laws applicable to like cases ; and this effect follows the enactment of such bankrupt law, and does not require the actual institution of proceedings in bankruptcy to produce such result."

On the ninth day of January, 1872, the firm of Joseph Nickerson & Co. filed their petition for adjudication of bankruptcy against the Independent Insurance Company. The petition sets forth, *inter alia*, the insolvency of the company, and alleges that the company committed acts of bankruptcy by fraudulent preferences, on the fourteenth day of October, 1871, to Edward Atkinson, and to Henry Atkins & Co., who were creditors of the company, and whose claims had long been overdue when the payment was made. Upon filing proofs sustaining the allegations in the petition, an order was issued by the District Court to the insurance company to show cause why the prayer of the petition should not be granted. On the return-day of this order, Chester

I. Reed and George Ripley filed a plea to the jurisdiction of the court, setting out that on the ninth day of January, 1872, they were, by a decree of the Supreme Judicial Court of Massachusetts, rendered in a suit instituted on the second day of December, 1871, by the insurance commissioner in behalf of the Commonwealth of Massachusetts, against said insurance company, appointed receivers of said company, and had accepted the trust, and duly entered upon the performance of their duties. The plea further avers, that, by the decree aforesaid of the Supreme Judicial Court of the Commonwealth of Massachusetts, the Independent Insurance Company, which was a corporation created and existing under and by virtue of a statute of said Commonwealth, was dissolved, and an injunction, which had previously issued in said suit against any further prosecution of its business by said insurance company, was made perpetual. The record of the proceedings in the Supreme Court, and of the decree, is annexed to the plea, and makes a part thereof. The decree of the District Court proceeds as follows: "And it appearing that no denial of bankruptcy was made on the return-day of the order to show cause, and that said corporation, by its answer, admits the acts of bankruptcy alleged against it; and thereupon, and upon consideration of the proofs in said cause, and the arguments of counsel thereon, it was found that the facts set forth in said petition were true; and it was therefore adjudged, that the Independent Insurance Company became bankrupt within the true intent and meaning of the act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States,' approved March 2, 1867, before the filing of said petition; and it is therefore declared and adjudged bankrupt accordingly." A warrant in bankruptcy was accordingly issued.

Within the time prescribed by the rules, the receivers filed in this court their petition for a revision and reversal of these orders and decrees of the District Court in bankruptcy.

The errors assigned in the petition in the judgments, orders, and decrees of the District Court are: *First*, That, because of the proceedings in the Supreme Judicial Court of Massachusetts, pleaded as aforesaid, and verified by the record aforesaid, and which record was not in any respect controverted, and because of the statutes of said Commonwealth in relation to insurance corporations, the said District Court had not jurisdiction to make

said orders, adjudication, and decrees. *Second*, Because of said proceeding of said Supreme Court and said statutes, and upon the pleading and proofs aforesaid, said corporation had no right to appear in said court, except by said Reed and Ripley, the petitioners; and could not by any counsel, against the objection of said Reed and Ripley, appear, or admit the truth of any averment, plea, or allegation, or matter of fact or law. The petition then alleges that the decree of said court, basing its adjudication of bankruptcy wholly upon the admissions of said parties claiming to act as president and attorney of said company, was erroneous; and it avers that the corporation was dissolved on the ninth day of January.

In support of the petition for the exercise of the revisory power of this court, counsel contend that the corporation was the creation of the State, and existed merely at its pleasure; that it was clearly in the power of the State to dissolve it; that this power has been exercised; that the corporation is defunct, and became so before the adjudication in bankruptcy; that consequently the proceedings abated, there being no provision in the bankrupt act to the contrary; that the State law does not continue the corporation in being so as to change this result, and that, if the corporation is still living, it can only act through receivers; and that therefore the decree of the District Court was erroneous.

Unquestionably, under ordinary circumstances, the sovereignty which has called a corporation into being, and which by the terms of the charter or by the provisions of a general law has reserved the right to do so, may amend the charter, or repeal it at will, by its legislature; or, acting through its judicial tribunals, it may declare the charter forfeit, or terminate the existence of the corporation.

Whether, subsequent to the exercise by Congress of its constitutional power to establish a uniform system of bankruptcy, it would be within the power of a State, acting either through its legislature or its judicial tribunals, after an act of bankruptcy had been committed by an insolvent corporation, and all State insolvent laws applicable to such cases are suspended, to annul the existence of the bankrupt corporation, so as to prevent the commencement of process, or abate the proceedings after they had been commenced under the act of Congress, may well be

doubted. If this could be done, the operation of the bankrupt law upon insolvent corporations could be defeated, the whole jurisdiction on bankruptcy foreclosed, the general creditors could only reach the assets within the reach of State process, and all extra-territorial property would be left in the grasp of attaching creditors; and, so far as the extra-territorial assets were concerned, payments in full and preferences to favored creditors would be upheld.

It is not necessary to decide this question in this case and at this time. The most cursory examination of the section of the fifty-eighth chapter of the Statutes of Massachusetts, under which these proceedings were initiated by the insurance commissioner, will show that it does not contemplate or authorize any such decree as would annul the existence of the corporation. A careful examination of the record will show that no such decree was sought or prayed for in the petition; and the like examination of the decree will as conclusively show that no such decree was made by the court.

Chap. 58, sect. 6, of the Gen. Stats. of Massachusetts provides as follows: "If upon examination the commissioners are of opinion that a company is insolvent, or that its condition is such as to render its further proceedings hazardous to the public or to those holding its policies, they shall apply to a justice of the Supreme Judicial Court to issue an injunction restraining such company, in whole or in part, from further proceeding with its business, until after a full hearing can be had. Such justice shall forthwith issue the injunction, and, after a full hearing of all parties interested, may dissolve or modify the same, or make it perpetual. And he may make such orders and decrees as may be needful to suspend, restrain, or prohibit the further continuance of the business of the company, and may appoint agents or receivers to take possession of the property and effects of the company, subject to such rules and orders as are from time to time, according to the course of proceedings in equity, prescribed by the court, or a justice thereof in vacation."

It is as clear that this power to suspend, restrain, or prohibit the further continuance of the bankrupt corporation, no more authorized the court in this form of proceeding to annul the being of the corporation, than a similar statute power to suspend, restrain, or prohibit the further continuance of the business of a

bankrupt natural person would authorize the court to take his life.

The insurance commissioner, in his petition, represented to the court that the corporation was insolvent, and its condition was such as to render its further proceedings hazardous to the public and to policy-holders. He prayed for a writ of injunction, commanding the corporation, its officers and agents, to refrain from further proceeding with the business of the corporation; for the appointment of receivers, to take possession of the property of the corporation, subject to the order of the court; and for notice to the corporation to show cause why such injunction should not be made perpetual and the receivers appointed as prayed for; and for "such further orders and decrees in the premises as may be needful."

By the final decree of the court, the injunction previously issued in said cause, as prayed for, was made perpetual. Receivers were appointed to take possession of the property and effects of said corporation, and take charge thereof; to collect the debts due the corporation; to pay all debts due from said corporation, if the funds coming to their hands are sufficient therefor, and, if not, to distribute said funds ratably among the creditors of said corporation "who duly prove their claims; and if there is any balance left in their hands after paying the debts as aforesaid, to pay and distribute the same among the persons legally entitled thereto, all under the direction of this court. *And to this end* the said receivers shall have power to prosecute and defend suits in their own names, and do all other acts which might be done by said corporation if in being, for the purpose of settling any unfinished business thereof."

The decree further commands all persons and corporations holding property or evidences of property of any kind belonging to said insurance company, to deliver the same to the receivers, and commands the receivers forthwith to take possession of the same. Then follows the portion of the decree upon which the argument of counsel is based. It is as follows: "It is further adjudged and decreed, that said corporation be and the same is hereby dissolved."

By virtue of this decree, it is claimed that the corporation ceased to exist, for any purpose, before the adjudication of bankruptcy; that the bankrupt law does not authorize process to issue

in bankruptcy against defunct corporations or deceased individuals, or undertake to administer on their estates; that it acts only on the living, and has no dealings with the dead, unless they die after the decree in bankruptcy.

In this view of the case, it becomes important to consider whether this corporation is so far defunct, whether its charter is so annulled, and its franchise *to be* a corporation is so far taken away by this decree, that it cannot be considered as having any being or existence, for any purpose whatever.

We have already seen that an act annulling the charter and destroying the life of the corporation was not provided for in the section of the statute under which the proceedings were commenced, nor prayed for in the petition upon which the decree was founded.

It is true, nevertheless, that the decree does adjudge the corporation dissolved; but we are satisfied that, by a fair construction of this language, as used in the concluding portion of the decree, it was the intention of the court only so far to dissolve the corporation as, in the language of the statute under which they were acting, might "be needful to suspend, restrain, or prohibit the further continuance of the business of the company;" and that it was not the intention of the court, in the use of this language, to make such a decree, under the sixth section, on the application of the insurance commissioner, as by virtue of the eighth section, and under the other provisions of the General Statutes of the State, they might make in a process of *quo warranto* instituted by the Attorney-General adjudging the charter forfeited and annulled.

In the language of text-writers, of statutes, and not infrequently of judicial decisions, the phrase "dissolving a corporation" is used, sometimes as synonymous with annulling the charter or terminating the existence of the corporation, and sometimes as meaning merely a judicial act which alienates the property and suspends the business of the corporation, without terminating its existence. This is *paralysis*, not *necrosis*, — a suspension of corporate action, not a cessation of corporate life. As a solvent liquid, or heat, dissolves a crystal by separating the parts and breaking the continuity of the atoms which compose it, leaving it formless and invisible to the eye, yet with the capacity of being crystallized anew into its pristine form and beauty; "a figure

trenched in ice, which with an hour's heat dissolves to water and doth lose its form," and which an hour's cold may restore to its original form and substance, — a corporation may, for certain purposes, be considered as so far dissolved as to be incapable of injury to the public, and yet as retaining all the vitality which may be essential for the protection of the rights of others.

This doctrine has been applied in several cases in the State of New York, in the construction of a statute of that State, concerning manufacturing corporations, which provided, that, for all debts due and owing by the company at the time of its dissolution, the persons composing such company shall be individually responsible, &c. Under this statute, where an insolvent corporation suffered its property to be sacrificed, the annual elections were omitted, and no act was done manifesting an intention to continue the corporate functions, the court, *for the sake of the remedy against the individual members and in favor of creditors*, presumed a virtual surrender of the corporate rights, and "a dissolution" of the corporation. Yet, in these cases, the courts in New York did not decide that the companies had lost all their rights, or were defunct corporations; but only that, even if they had a right to reorganize themselves, and were so far in being, the case had happened in which they were "dissolved" for the purposes of remedial action by their creditors. *Slee v. Bloom*, 19 Johns. 456; *Penniman v. Briggs*, 1 Hopk. Ch. 300; s. c. 8 Cow. 387; 2 Kent's Com. 311, 312.

But in the learned and exhaustive opinion of Judge Gray, in the case of *Folger v. The Columbian Insurance Co.*, 99 Mass. 267, is to be found perhaps the most perfect compendium of the law on this subject. In that case, the Supreme Court of New York had adjudged "that the Columbian Insurance Company be and it hereby is dissolved." But the Supreme Court of Massachusetts did not hesitate to inquire whether the judgment thus obtained in New York, and relied on in Massachusetts, was rendered by a court having jurisdiction of the cause and of the parties, and to decide that to decree an absolute and final dissolution of a corporation at the suit of an individual was no part of the general jurisdiction of a court of law or chancery, and can only be justified by express statute; and then, after examining the express provisions of the statutes of New York, upon which the proceedings were based, to decide that, notwithstanding the Supreme Court

of New York had adjudged the corporation "dissolved," and Chancellor Walworth had decided that such proceedings had effected "a virtual dissolution of the corporation," yet the Supreme Court of Massachusetts say, "It does not extinguish its franchise, terminate its legal existence, or render it incapable of being sued at law or in equity." In the light of this opinion, it is not difficult to see the proper construction to be given to the words of the decree of the Supreme Court of Massachusetts "dissolving" this corporation, as a dissolution adjudged by a court which had decided that such "a dissolution of a corporation cannot deprive its creditors or stockholders of their rights in its property," "does not extinguish its franchise, terminate its legal existence, or render it incapable of being sued at law or in equity." See also *Coburn v. Boston Papier-Mâché Manuf. Co.*, 10 Gray, 243; *Taylor v. Columbian Ins. Co.*, 14 Allen, 353; *Bacon v. Robertson*, 18 How. 485, 487; *Lum v. Robertson*, 6 Wall. 277; *Hunt v. The Columbian Ins. Co.*, 55 Me. 291.

This doctrine in relation to the extinction of a corporation is not a novel one; for in 1628 it was adjudged, upon the authority of earlier cases, in the case of *Hayward v. Fulcher*, Sir Wm. Jones, 166, that a dean and chapter were not dissolved by a surrender to the king "of all their possessions, rights, liberties, privileges, and hereditaments, which they had in right of their corporation." See also the case of the *Dean & Chapter of Norwich*, 3 Coke, 75 a.

The court, therefore, entertains no doubt that this corporation still exists, for the purpose of being proceeded against in bankruptcy.

The petition also assigns as error in the decree of the District Court, that the corporation had no right to appear in said court except by the receivers, and could not by counsel, against the objection of the receivers, appear, or admit by plea or otherwise any matter of law or fact; and that the decree of the District Court, basing its adjudication in bankruptcy wholly upon the admission of Sanford as counsel for the company, was erroneous. An examination of the record fails to convince the court that this assignment of error is sustained by the facts in the record, even if it were tenable in law.

Granting, for the purpose of determining this question, which the court is not now called upon to decide, that the

receivers were the sole and only proper persons to represent the corporation, yet the only plea or answer made by them was a denial of the jurisdiction of the court in bankruptcy. This plea was heard, considered, and, as we have seen, properly overruled. No answer was put in by them, or any person, denying the acts of bankruptcy; and, after the plea to the jurisdiction was overruled, no cause was shown by them, or by any one, why a warrant in bankruptcy should not issue.

If the president and attorney of the corporation, or those claiming to act as such, had no right to represent the corporation, then there was no denial of the allegations in the petition, and no cause shown why the warrant should not issue upon the application of the petitioners in bankruptcy, and the accompanying proofs. The decree of the court was well founded upon the fact recited in the decree itself; "it appearing that no denial of bankruptcy was made on the return-day of the order to show cause," without taking into consideration the other fact recited in the decree, that the corporation had by its answer admitted the acts of bankruptcy alleged against it.

It is not necessary to determine to what extent the receivers have the authority to represent the corporation itself. But it is clear, that, occupying the position they do, — not as receivers under a mortgage or other lien or incumbrance on the property of the corporation which might take the property out of the operation of the bankrupt law, but as receivers appointed under a State law applicable to insolvent corporations, and to the distribution among the creditors of the assets of an insolvent corporation, — they have no power to withhold the assets of the company, and to liquidate its liabilities and affairs according to the mode provided by State laws for the liquidation of insolvent corporations. As well stated in *Thornhill v. The Bank of Louisiana*, 10 B. R. 375, "this cannot be allowed. No mode of proceeding authorized by a State law can be permitted to have this effect. If the forfeiture, under the State law, of the charter of the bank raises an obstacle to the jurisdiction of the Federal courts, then the claim authorizing the forfeiture of the charter is suspended by the Federal law. To hold otherwise is to allow the States, by a particular form of liquidation, to override a law of Congress, on a subject on which Congress, by the Constitution, has supreme power." In *Cushing v. Arnold*, 9 Met. 23, Dewey, J., says,

“When the power is exercised by Congress, and a bankrupt law is in force, it does suspend all State insolvent laws applicable to like cases; and this effect follows the enactment of such bankrupt law, and does not require the actual institution of proceedings in bankruptcy to produce such result.”

The sooner it is understood, that now, when a uniform law of bankruptcy is in operation under the authority conferred upon Congress by the Constitution of the United States, no power exists to wrest from the jurisdiction of the courts in bankruptcy the assets of such bankrupt individuals and corporations as are within the scope of the provisions of the bankrupt act, the more will the beneficent provisions of that act be felt and appreciated by the mercantile community. Nowhere is this doctrine in relation to the effect of a bankrupt law upon the operation of the insolvent laws of the States more clearly and ably enunciated than in the learned opinions upon this subject to be found in the reported decisions of the Supreme Judicial Court of the Commonwealth of Massachusetts.

Petition dismissed.

FEBRUARY, 1872.

THOMAS E. MURPHY *et al.* v. WILLIAM W. EASTHAM *et al.*

The fact that articles were constructed as experiments, but never made public, and ultimately abandoned and lost, does not affect the right of a subsequent original inventor of substantially the same article to take out a patent for his invention.

In contemplation of law, a patentee is deemed to claim the thing patented, however its form and proportions may be varied.

A patentee described and claimed a brush, having around the head, near the bristles, an angular groove, in which was placed a band of rubber made in the form of a parallelogram or rhombus, with one of its angles projecting outwards, so as to prevent the hard brush-head from coming in contact with the glass or other surface to be washed or dusted; the defendants' brushes had around the head, near the bristles, a semicircular groove, in which was fitted a round rubber band, for the same purpose as the patentee's band. *Held*, that, as the operative part of the band could come in contact with the surface to be brushed only on one line in the periphery of the band, it was immaterial whether the band was round or angular in shape, or whether the groove was semicircular, or polygonal, or triangular; and that the defendants infringed.

BILL in equity for an injunction to restrain alleged infringement of letters-patent for an improved brush, granted Francis

McLaughlin, Jan. 11, 1870, and owned by the complainants. The case is stated in the opinion.

J. E. Maynadier, J. L. Newton, for complainants.

C. T. & T. H. Russell, H. W. Suter, for defendants.

SHEPLEY, J. Letters-patent were issued to Francis McLaughlin, on the eleventh day of January, 1870, for an improved brush. The object of the invention was to obviate the danger of breaking glass and injuring the surface of the wood or other substance to be washed or dusted by contact with the brush head. To obviate this difficulty, the patentee put around the brush-head or stock a circular band of rubber, in the form of a parallelogram or rhombus, with one of its angles projecting outward, and near the bristles or washing material. A groove is made in the brush head or stock, near the bristles, and in this groove is placed a circular band; the band being made in the form of a parallelogram, so that the ring fitting into the groove or furrow, which has a sharp angle in it, presents a sharp angle outward.

The patentee claimed as his invention the combination and arrangement of the brush-head, constructed as described in his specifications, and provided with an angular groove or furrow around the lower side, with the rubber-ring fitting therein, as and for the purpose specified.

The defendants, in their answer, deny that McLaughlin was the first and original inventor of the improvement for which the letters-patent issued, and which have been assigned to the complainants, and allege that the improvement claimed by him as new was described in letters-patent granted in England to W. T. Monzani, June 25, 1854, and set forth in No. 1348 of the volume of specifications of English patents for that year; also in an application made by W. E. Williams to the United States Patent Office, rejected April 1, 1868; also in an application made to said office by J. H. Crittenden, rejected May 22, 1868. Defendants also set up prior knowledge and use by said Williams and Crittenden, and by the defendants themselves, and by the firm of Eastham, Harvey, & Morris, of which defendants are members. The answer also alleges that the thing patented was in public use, and on sale in this country, more than two years before the application for the patent.

Monzani's patent was merely for covering with vulcanized rubber those parts of brushes or brooms which, in their use, are

liable to be struck against places or things which are to be dusted or cleaned thereby. It was referred to and described in the specifications of McLaughlin, and disclaimed by him.

Crittenden's specification described the same thing substantially as Monzani's. Crittenden claimed the application of rubber, felt, cloth, leather, or any elastic material, to the ends and corners of broom and brush heads, as set forth and described. This application was rightfully rejected. There is nothing in these patents or rejected applications to invalidate the McLaughlin patent. They were probably introduced in evidence only as illustrating the state of the art, and aiding in the construction of the claims in complainant's patent.

Defendants also offer evidence tending to show that, prior to the date of the McLaughlin invention, they made, in the fall of 1867, *first*, a brush with a block, or head, with a projecting shoulder, by which a square vulcanized rubber band was *attached upon* the block for the purpose of keeping the head of the brush from injuring the wood-work; *second*, a similar brush, with a circular groove and a round band; and, *third*, a brush with a cork block or head inserted in a tin cover. Around the edges of this cover was a projecting shoulder, and round the edge of this cover, and held in place by this shoulder, a square vulcanized india-rubber band. Brushes made in the similitude of these three forms of brushes are put into the case. No brush made in either of these forms before the date of McLaughlin's invention is produced in evidence, and there is no reason from the testimony to believe that any one is in existence. The testimony is conflicting as to their form and structure. But it leaves no doubt on the mind of the court, that whatever they were, and whenever and howsoever constructed, they were mere experiments. They were never put upon the market, they never came into practical use, they were never sold, they were not even thought worthy of preservation, and cannot now be found. Such brushes, if previously constructed in the form contended for by defendants, as experiments, and never made public, or brought to the knowledge of McLaughlin, and ultimately abandoned and lost, could be no obstacle to his right to take out a patent.

Considering the patent of the complainants to be good and valid, we proceed to the consideration of the question of infringement. Defendants by their answer, and in the affidavits referred

to in the answer, admit infringement by the sale of brushes with the *angular* groove or furrow, and with an *angular* rubber-ring fitting therein. They also admit that they do make, and claim the right to make, brushes with a *circular* groove and band, as shown in exhibit No. 3, which they claim do not infringe the complainants' rights under their patent.

The patentee in his specification and claim has only described one geometrical form of groove or furrow, and three geometrical forms for the rubber-ring; *i.e.*, the parallelogram, rhombus, and triangle. Perhaps a strict construction of the language would exclude the triangle from the list of forms of the rubber-ring in the claim. The patentee does not, as is sometimes done, claim in terms the thing patented, however its form and proportions may be varied. But the law so interprets his claim without the addition of these words. In contemplation of law, after he has fully described his invention and shown its principles, and claimed it in a form which perfectly embodies it, unless he disclaims other forms he is deemed to claim every form in which his invention may be copied.

Undoubtedly, in some cases, the letters-patent include only the particular form described and claimed, not for the reason that the patentee has described and claimed that form only, but because the invention consists in form only, and only in that form can be embodied, so that when the form is not copied the invention is not used. *Winans v. Denmead*, 15 How. 343.

We must look, therefore, into the nature of the invention, and see whether its form and its substance are inseparable. If they are inseparable, then the defendants having changed the form do not copy the substance of the invention. But if they are separable, and the substance of the invention which the patent is designed to secure is to be found in the manufactures of the respondents, although copied and embodied in a form not described, or differing from the form described and specifically claimed by the patentee, then they have infringed. The invention, as described and claimed, is for a brush-head provided with an angular groove or furrow, with an india-rubber band in that furrow. As the operative part of the rubber-band can come in contact with the wood or glass to be dusted or brushed only at one line in the periphery of the band, it can make no difference in the result whether the shape of the rubber is circular or angular;

whether a cross-section of the rubber-band would be a parallelogram, a rhombus, or, what a circle practically is, a many-sided polygon; or whether the shape of the groove be semicircular, or polygonal, or triangular. They would accomplish the same result in the same manner, and by the same means. Cut away from defendant's band a segment of the circle on both sides of the line in the periphery of the band where it touches the glass to be brushed, and you have only removed a superfluous and inoperative part; and the same principle, *mutatis mutandis*, applies to the band in the groove, and the groove itself. One geometrical form, as much as the other, may embody the substance of this invention, and copy and use the invention itself.

Decree for injunction and account.

MARCH, 1872.

SYLVANDER JOHNSON v. NORTH BRITISH AND MERCANTILE INSURANCE COMPANY.

The right of a mortgagee, whose interest in the mortgaged property has been insured by a policy, payable to him as mortgagee, containing a provision for apportionment of the loss in case of other insurance on the property, to recover the amount of the policy, is not affected by insurance of the mortgagor's interest in the same property, effected and made payable to the mortgagee without his knowledge or request.

ACTION at law upon a policy of insurance. The case was submitted to the court upon an agreed statement of facts, the material parts of which were as follows: The policy was issued by the defendant to the plaintiff, as mortgagee of certain specified personal property. It contained the following provision: "Nor shall the assured be entitled to recover of this company any greater proportion of the loss or damage than the amount hereby insured bears to the whole sum insured on said property, whether such other insurance be by specific or by general or floating policies, and without reference to the solvency or the liability of other insurers." On the day of the date of the policy, the mortgagors caused a policy previously taken out by them on their interest in this and other property of theirs to be made payable to the plaintiff, "as his interest appears," and subsequently took out two other policies on their interest in other property of theirs and

the mortgaged property. These were also made payable to the plaintiff, "as his interest appears." The plaintiff had previously requested them to secure him for a debt due him from them, other than the mortgage debt, by policies of insurance payable to him on property other than the mortgaged property; but he did not know till after the loss that any of these policies had been taken out, except the one in suit. After the loss, he received in settlement of these three policies some fifty-five hundred dollars, which he applied in part payment of a debt of sixty-two hundred dollars due him from the mortgagors, in addition to the mortgage debt.

The defendants contended, that, under the above-quoted provision in the policy, the plaintiff could recover only such amount of the sum insured by the policy as that amount bore to the whole sum insured by all the policies.

Charles Allen, for plaintiff.

N. A. Leonard, for defendant.

SHEPLEY, J. A mortgagee may insure his interest in the property without regard to the mortgagor, and, in case of loss, he may recover the amount without any liability to account to the mortgagor. Different mortgagees of the same property have independent interests, which each may insure for his own benefit, to the full amount.

The policy in this case contains the following provision: "Nor shall the assured be entitled to recover of this company any greater proportion of the loss or damage than the amount hereby insured bears to the whole sum insured on said property, whether such other insurance be by specific or by general or floating policies, and without reference to the solvency or the liability of other insurers." Similar provisions are usually inserted in policies of insurance against fire. The object of such provisions is to guard against a double insurance of the same interest, and to prevent the insured, if he has more than one policy upon the same interest, from recovering upon any one policy more than a proportional part of the loss. This provision refers to other insurance by the same person, or to other insurance of the same interest. It does not apply to the case of separate insurance by mortgagor or mortgagee, or by different mortgagees upon the same property. The phrase "property hereby insured" refers to the interest of the assured.

Parties to the contract could not have contemplated or intended a construction by which the contract could have been affected or avoided by the acts of third persons over which they could have no control. *Fox v. Phœnix Ins. Co.*, 52 Me. 133; *Ætna F. Ins. Co. v. Tyler*, 12 Wend. 507; s.c. 16 Wend. 386; *Carpenter v. Prov. Wash. Ins. Co.*, 16 Pet. 501.

The other insurances which were effected by the mortgagors in other companies were not upon the plaintiff's interest as mortgagee. They were upon the mortgagors' interest in other property, and also covered the mortgagors' interest in the property mortgaged and covered by the policy now in suit.

These policies were made payable in case of loss to S. Johnson, as his interest may appear. Johnson had requested the mortgagors to have some insurance policies upon other property made payable to him, to secure him for an additional sum other than the mortgage debt, and for which he held no security. Johnson did not know until after the fire that Whitaker & Co. had taken out the other policies, or that they had been made payable to him in case of loss, or that they covered the mortgagors' interest in the mortgaged property.

After the fire, the plaintiff received in settlement of the amounts due on the policies from three other companies the sum of \$5,567.31, which he applied in part payment of the amount of \$6,200 due him from Whitaker & Co., other than the mortgage debt. As these policies were not upon his interest as mortgagee; as they were not taken upon the mortgaged property with his knowledge or by his request; as, in fact, if the subsequent policies were not invalid, they applied only to the separate interest of the mortgagor, — they do not furnish any defence to the suit upon this policy.

If a mortgagor procures a policy on the mortgaged property against fire, and afterwards assigns the policy to the mortgagee as collateral security, that assignment operates solely as an equitable transfer of the policy so as to enable the mortgagee to recover the amount due in case of loss; but it does not displace the interest of the mortgagor in the premises insured. On the contrary, the insurance is still his insurance, and on his property, and for his account. *Carpenter v. Prov. Wash. Ins. Co.*, 16 Pet. 501.

Judgment for plaintiff for the amount due upon the policy; amount to be assessed.

MARCH, 1872.

NATHANIEL JENKINS v. GEORGE W. WALKER *et al.*

An invention of a compound to be used for a specified purpose is not anticipated by a description in a prior patent of a compound having physical properties which render it unfit for such use, and described as intended for a different, and not analogous, purpose.

To anticipate an invention of a compound, the specification of a prior patent must state the relative proportions of the ingredients of the compound in such full, clear, and exact terms, as to enable one skilled in the art to make and use the described compound without experiment of his own.

BILL in equity for an injunction to restrain alleged infringement of letters-patent for an elastic packing for joints and valves exposed to destructive fluids, granted the complainant May 8, 1866; and for an account of profits. The case is stated in the opinion.

T. W. Clarke, for complainant.

E. L. Sherman, J. J. Storrow, for defendants.

SHEPLEY, J. This is a bill in equity alleging an infringement of the letters-patent granted to the complainant on the eighth day of May, 1866, and reissued on the third day of August, 1869, for a new and useful elastic packing for joints and valves exposed to destructive fluids. The substance of the complainant's invention consisted in the employment of an elastic packing for joints and valves, of a crude, burnt, refractory rubber compound, sufficiently elastic and indestructible to resist the solvent action of steam, or hot and corrosive liquids, and made from a composition containing forty per cent or more of refractory mineral matter, cemented together by vulcanized rubber. The term "refractory," as used in the arts, indicates the quality of resisting the action of heat and solvents. In this sense, Paris white, French chalk, and plumbago are refractory.

Prior to 1866, rubber-packing used for steam-packing for joints and valves did not in any degree possess or have the character of hard rubber. The kinds of rubber-goods in use before that time for packing steam joints and valves were, as represented by exhibits in the case: first, "pure packing," a soft rubber fabric, made in sheets; second, "plain packing," a soft rubber fabric, made in sheets, and having a cloth insertion; and, third, "mixed

or fibrous packing," a rough-looking, soft rubber fabric, made of old scraps.

The answer of the respondents denies that the reissued letters-patent are for the same invention as the original letters-patent; and they say that the reissue was obtained by fraud, and is therefore invalid. There is no evidence in the case to support these allegations in the answer. The answer also denies that Jenkins was the original and first inventor of the thing patented, and denies any infringement of the reissued letters-patent. The defendants further allege, that the elastic packing, manufactured, sold, and used by the defendants, was manufactured under and according to letters-patent of the United States, granted to C. L. Frink on the eighth day of May, 1866.

Upon the issue of novelty, defendants rely upon the letters-patent granted in England to W. E. Newton, and dated April 24, 1854; and upon letters-patent of the United States to A. K. Eaton, and dated June 19, 1860. Newton's patent was for mingling plumbago with hard rubber compound, to be used in the manufacture of bearings for machinery, in order to prevent attrition or friction. It appears from the evidence in this case that the composition of matter described in the Newton specification, if made in the mode there described, would not have the physical properties of the compound described in the complainant's specification, because the presence of so large a proportion of sulphur, as indicated in the formula of the Newton patent, would render the valves susceptible to the action of the heat and solvents.

The patenting a material for one purpose does not necessarily invalidate patenting it for another different and not analogous purpose. *Newton v. Vaucher*, 6 Exch. 859.

The two patents are essentially different. The principle of the Newton patent is clearly the application of the hard rubber compound, for the purpose of diminishing the effect of attrition. The principle of the plaintiff's patent is the use of the crude, burnt, refractory rubber compound, to resist the solvent action of steam, or hot and corrosive fluids. The two inventions differ in principle; and there is a substantial difference in the product in which the invention is embodied, and the purpose to which that product is to be applied.

The same principles and considerations apply to the case of the Eaton patent. It is perfectly plain, from a comparison of the

plaintiff's specification with the specifications in the Newton and Eaton patents, taken in connection with the fact that there is no evidence that under either of those patents a product was ever made having the physical properties of the plaintiff's compound, that these patents do not anticipate the plaintiff's invention.

Letters-patent, on the eighth day of May, 1866, being the day of the date of the complainant's patent, issued to C. L. Frink for a new and improved rubber-composition. He describes his invention as consisting in a compound made of india-rubber, sulphur, black-lead, or other suitable material, generally mixed with rubber, to give it consistency and to increase its weight, and metal filings (brass filings being used in preference), in such a manner that a compound is obtained which is not liable to stick when exposed to a great heat or steam, and which is particularly fit for packing safety-valves, globe-valves, or other parts which are exposed to the action of steam, and which, when packed with ordinary rubber, require constant repairs. The only description which he gives of the manner of making his compound is as follows: "I mix the filings with the mass, simultaneously with the sulphur and black-lead, or clay, or other ingredients which are usually mixed with the crude rubber; and, when the composition is made, I vulcanize or cure the same in the ordinary manner. The quantity or proportion of filings to be mixed with the rubber is variable, according to the nature of the work for which the rubber is to be used. For packing of small valves, about one part by weight of filings is sufficient." It is obvious, from inspection of this specification, that as the relative proportions of the rubber, sulphur, and plumbago are not given or indicated in any way, the description is not sufficiently clear and exact to enable others skilled in the art to make a rubber-compound of the ingredients therein specified, adapted for use as an elastic packing for joints and valves, and sufficiently indestructible to resist the solvent action of steam, or heated and corrosive fluids. And this want of such full, clear, and exact description, which will enable others skilled in the art to make and use the same, is abundantly proved by the testimony of persons skilled in the art.

Henry W. Burr, who has been engaged in the rubber-business twenty-eight years, and is the superintendent of a rubber-factory, and is a thoroughly practical manufacturer and manipulator of rubber-compounds, testifies, that from the directions in the Frink

patent he is not well skilled enough in the art to produce a valve-disc from that which will stand the heat. Dr. S. Dana Hayes, an eminent chemical expert, the State Assayer of Massachusetts, and the consulting chemist of several manufactories of rubber-goods, testifies that he cannot tell, from reading Frink's specification, what the composition of the proposed composition was, nor what its physical characteristics would be. No evidence is offered in rebuttal of these statements.

It is evident that the success of the process, and the value of the product for the desired purpose, are entirely dependent upon proportions and temperatures: and proportions and temperatures are not even indicated in the Frink specification.

When the specification of a new composition of matter gives only the names of the substances which are to be mixed together, without stating any relative proportion, undoubtedly it would be the duty of the court to declare the patent to be void; and the same rule would prevail when it was apparent that the proportions were stated ambiguously or vaguely; for in such cases it would be evident on the face of the specification that no one could use the invention without first ascertaining by experiment the exact proportions of the different ingredients required to produce the result intended to be obtained. The specification must be in such full, clear, and exact terms as to enable any one skilled in the art to which it appertains to compound and use the invention; that is to say, to compound and use it without making any experiments of his own. *Wood v. Underhill*, 5 How. 1.

The record does not afford any satisfactory proof that Frink made a composition of matter like that which the plaintiff has patented, before the date of the plaintiff's invention. The complainant's composition of matter, according to his specification, consisted of rubber, from twenty to twenty-five per cent; gum-shellac, from ten to twenty per cent; Paris white, from twenty to thirty per cent; French chalk, from fifteen to twenty-five per cent; litharge, from eleven to eighteen per cent; lamp-black, from two to three per cent; sulphur, from one to three per cent. The analysis made by Dr. Hayes of the valve-seats used and sold by the defendants, and claimed by them to have been made under the Frink patent, contained rubber, 30.60 per cent; plumbago, 40.00 per cent; copper and zinc, 14.60 per cent; lead-8.20 per cent; sulphur, 6.60 per cent.

Now, classifying in both patents plumbago, French chalk, and Paris white as the refractory mineral matter, and the rubber and shellac and sulphur as the cementing material, and the lead or litharge and brass-filings as sulphur-absorbents, the testimony showing that they combine with each other in vulcanizing, making another comparatively refractory ingredient, sulphuretted metal,—it appears that the proportions of the ingredients, which are substantially alike in the two formulas, are very nearly identical, except that the defendants use, in addition, about ten and a half per cent more of metal, and about three and a half per cent more of sulphur, which, combining as before stated, constitute an addition to or adulteration of the complainant's compound of fourteen per cent in excess of comparatively refractory mineral matter, consisting of the metals which have been partially mineralized by the sulphur. The defendants use substantially the same elements, compounded and treated on principles substantially the same as those of the patented article, and produce substantially the same product. If the addition of this percentage of sulphur, and also of brass-filings, to the complainant's compound, was any improvement, it would not authorize the use of the patented product improved upon, without license from the patentee, any more than the patent to Edwin L. Simpson, for his improvement in dental-rubber, for the purpose of avoiding the odor and taste of the sulphur used in the vulcanizing of dental-rubber, would have authorized him to use the invention of Nelson Goodyear.

Decree for injunction and account.

MARCH, 1872.

JOSEPH WOODWARD v. L. P. MORRISON *et al.*

An invention of a flour-paste containing corrosive sublimate to prevent putrefaction, but in such small quantities in proportion to the flour that its poisonous and corrosive qualities are neutralized by the flour and the paste thus rendered innocuous, is not anticipated by a flour-paste in which a larger proportion of corrosive sublimate was used for the purpose of making the paste poisonous and corrosive.

A patent for a compound is infringed by the manufacture of a compound in which known chemical equivalents are substituted for one or more of the elements of the compound.

The use of chemical equivalents in place of one or more of the elements of a patented compound may infringe the patent for the compound, although in some respects the substituted equivalents are improvements.

A specification in a patent of the mechanical parts or chemical ingredients of the patented invention, includes known mechanical or chemical equivalents of the parts or ingredients named.

If there are equivalents existing, but previously unknown to ordinarily skilful mechanics or chemists, these are not included in the specification, unless expressly stated therein.

The complainant's patent was for a paste having as one of its ingredients chloride of sodium. The defendant, in the manufacture of paste, used chloride of zinc, a known chemical equivalent of chloride of sodium, for such purpose, the other ingredients being the same as complainant's. *Held*, that the defendant infringed; it appearing that in the process of manufacture, chloride of zinc produced practically the same result, in the same way, as chloride of sodium.

BILL in equity to restrain alleged infringement of letters-patent for a paste for bookbinders, granted the complainant Feb. 20, 1866. The case is stated in the opinion.

James B. Robb, for complainant.

B. C. Moulton, for defendants.

SHEPLEY, J. This suit is founded on letters-patent of the United States granted to the complainant on the twentieth day of February, 1866, as the inventor of a new article of manufacture, "an improved prepared paste for bookbinders;" that is, paste deprived of its tendency to putrefaction and fermentation, and made a standard article of commerce.

To a proper understanding of the case it is necessary at the outset to give a construction to the claim in the complainant's patent. The claim is substantially for, "as a new article of manufacture," a new and improved prepared paste, consisting in the addition of ingredients to the common article of paste used by bookbinders and others, and usually formed of wheat-flour and water, which ingredients shall have a chemical action upon the flour or equivalent substance, so as to preserve it in condition for use for any desired length of time, — the preparation to consist of the following ingredients, in substantially the following proportions: flour, two pounds; chloride of sodium, one ounce; alum, one quarter ounce; bichloride of mercury, six grains; and so made and compounded as to obviate the objection which would naturally arise from the use of the rank poison, corrosive sublimate, in this composition, by the well-known fact in chemistry, that the gluten of the flour acts as an antidote to the poisonous qualities of the bichloride of mercury, thus rendering the com-

pound innocuous and harmless. The paste in common use is usually formed of wheat-flour and water. The wheat-flour contains vegetable albumen, fibrine, gluten, and other albuminous or nitrogenous bodies; also, starch, sugar, gum, and other non-nitrogenous bodies. While the non-nitrogenous constituents have intrinsically no power or tendency to pass into decay or change in composition, the other albuminous or nitrogenous constituents, when exposed to moderately heated air in a moist condition, begin to putrefy and decompose, and when in that state they are brought in contact with the starch, sugar, gum, and other non-nitrogenous constituents, they cause them also to change into other compounds, and it is this process that constitutes fermentation. The object of this invention was to prevent this fermentation, by which the common flour-paste soon becomes unfit for use, and to produce that effect by means which should not impart to the paste corrosive or poisonous properties, and thus to prevent the great waste which necessarily resulted from the souring of the paste, and thus to make flour-paste a standard article of commerce.

We proceed now to consider the state of the art prior to the date of the complainant's invention. Flour-paste had been made with an admixture of alum and water, with an admixture of salt, and with the addition of corrosive sublimate, long before the date of complainant's patent. In fact, preserved paste had been made containing every ingredient that Woodward's patent contains, separately, and every ingredient in combination except salt; but from the evidence in the case it does not appear that any prepared paste had been previously made containing in combination every ingredient that Woodward's patent contains, in substantially the same proportions, for substantially the same purposes, or effecting substantially the same results.

Corrosive sublimate, or bichloride of mercury, had been used by Dr. Turner in the year 1847, and subsequently mixed with alum and water, in a paste by which he secured paper-labels to wooden boxes; but he used corrosive sublimate and other poisons in his paste, because the boxes contained pills manufactured to be sold in the Southern markets, and the paste was purposely made poisonous to prevent insects from destroying the labels, boxes, and contents. When, therefore, he used corrosive sublimate, it was not in such small quantities, or in such proportions to the flour,

that the poisonous or corroding qualities were neutralized by the chemical action of the albuminous bodies in the flour, but in such quantities and proportions as were intended to leave, and did leave, the prepared paste corroding, poisonous, and destructive to animal life. Noah, one of the respondents, who manufactured from scraps of leather inner-soles and layers of leather to be pasted together for heels and stiffenings, had also used corrosive sublimate in his paste to kill the rats that troubled him by eating the paste between the layers of the leather. In "Cooley's Cyclopedia of Practical Receipts," London, 1856, it was stated, on page 938, that the addition of a few drops of creosote, or oil of cloves, or a little powdered camphor, colocynth, or corrosive sublimate (especially the first two and the last), will prevent insects from attacking it (paste), and preserve it in covered vessels for years; and on page 216 of the same book, "the addition of a few grains of corrosive sublimate or a few drops of creosote will prevent it turning mouldy, and is said to preserve it for years."

Salt, or chloride of sodium, had also been used in paste long before the complainant's invention.

What, then, remained to be discovered in the art of making a prepared paste as a standard article of commerce? It was known that corrosive sublimate and other poisonous substances might be used for the purpose of arresting or preventing spontaneous decomposition of the paste, and also for preventing the attacks of vermin or insects on the paste. It does not appear to have been known that paste could be preserved by means of these substances, without making a corrosive and poisonous composition, unsafe to handle, and to a certain extent unfit to use. The desired result which remained to be attained was to arrest the fermentation and prevent the spontaneous decomposition and consequent great waste of the paste without making a composition corrosive or poisonous. The complainant, who was a paper-hanger, and whose attention was therefore constantly directed to the necessity of attaining this new and improved result in the manufacture of paste, seems to have devoted much time and study to the investigation of the theory of fermentation, and to experimenting with various substances known to possess the property of arresting the different kinds of fermentation to which the different ingredients or constituents of flour were subject. He did not discover that the poisonous qualities of corrosive sublimate

were neutralized by albumen, but he does appear first to have discovered that by the use of a quantity of corrosive sublimate, so small that its poisonous qualities were neutralized by the albuminous bodies in the flour, a comparatively large quantity of paste could be preserved from putrefactive decomposition. He also appears to have ascertained, and practically to have demonstrated by experiment, that in the manufacture of the article of common paste, as previously made with flour-water and alum, a practically useful and beneficial result and improvement in the manufactured product was attained, beyond the use of the few grains of corrosive sublimate with each pound of flour, by the addition of chloride of ammonium, or chloride of sodium, or some salt or substance (equivalent to these for the desired result) which was soluble in the aqueous solution of corrosive sublimate, or in the same solution in which that was soluble. Of these, for this purpose, equivalent salts, he selected for the formula in his patent the chloride of sodium, because it was attainable at a less price than the others. The experts examined by the respective parties differ widely in some respects as to the chemical or other actions of the chloride of sodium in the composition of the complainant's product. Professor Babcock, examined by the complainant, testifies that, first, "it tends partly to preserve the paste;" second, "it is useful also in raising the boiling-point of the water of which the paste is made, enabling the paste to receive a higher temperature without burning;" and, third, that "it is of advantage in increasing the solubility of the bichloride of mercury so as to carry it more thoroughly into the body of the paste." Dr. Adams, an expert examined by the defendants, says the "salt may increase the solubility of the corrosive sublimate, but it has little or no preservative action on the constituents of the flour." Mr. Merrick, also examined by the defendants, is "not aware that it has any effect, unless it may possibly tend to raise the boiling-point of the paste." Upon this evidence the court could not be expected to decide that in the process of manufacture as described in the complainant's patent, there was no practical advantage or utility in the admixture of the chloride of sodium with the other ingredients; and, for the purpose of determining the question of the novelty and utility of the invention, it is not necessary to decide between the conflicting theories of scientific experts as to the exact extent of its utility or the precise nature

of its chemical or other action. We see no reason from the evidence in this case to doubt that the complainant was the original and first inventor of a new and useful prepared paste, as claimed in his patent, and that the letters-patent issued to him therefor are good and valid.

The question whether the defendants by the manufacture of the paste made by them, and which in their answer they admit to be made according to the specifications of the patent granted to George G. Noah, one of the defendants, more than four years after the grant of the letters-patent to complainant, infringe upon the rights of the complainant, is one a solution of which is much more difficult and intricate. The defendants make a paste possessing the same properties as complainant's paste in its freedom from tendency to putrefaction and fermentation, and from being corrosive and poisonous. The ingredients of the defendants' paste are the same as those of complainant, except the substitution of the chloride of zinc in the defendants' for the chloride of sodium in the complainant's, and the addition in the defendants' of two or three drops of the oil of cloves. The ingredients and the proportions thereof in their respective formulas of manufacture, as stated in the respective patents, are as follows:—

| <i>Complainant's.</i> | <i>Defendants'.</i> |
|---|-------------------------------------|
| Flour, 2 pounds. | Flour, 100 pounds. |
| Common salt (chloride of sodium, Na. Cl.), 1 ounce. | Chloride of zinc, 5 pounds. |
| Alum, $\frac{1}{4}$ ounce. | Alum, 5 pounds. |
| Corrosive sublimate (bichloride of mercury, Hg. Cl.), 6 grains. | Bichloride of mercury, 1 ounce. |
| | Oil of cloves, $\frac{1}{4}$ ounce. |

Although the proportions of these ingredients differ, as stated in the formulas in the respective patents, yet taking into consideration these two facts, — first, that the defendants use the solution of chloride of zinc instead of the dry salt, five pounds of the former being equal to three pounds of the latter; and the other fact, that the corrosive sublimate is so acted upon by the oil of cloves that a portion of it is changed to calomel, which is not proved to have any antiseptic or otherwise beneficial effect on the paste, and therefore may be rejected, — it will be found that, when the formulas in the respective patents are applied to the same aggregate quantities, the proportions of the essential ingredients will be substantially identical in both.

Regarding the invention or subject-matter of the complainant's patent as an entirely new manufacture, it might perhaps be sufficient in this case to find, what we think the evidence discloses, that the defendants make substantially the same thing, whether by the same or a different process. The defence is put substantially on the ground, that, in the manufacture of the defendants' paste, the substitution of one class of ingredients in the place of another described in the complainant's specification renders their process substantially different from the process of complainant. It is necessary, therefore, to determine whether in this composition of matter the defendants have or have not substituted in the place of one or more elements, known chemical equivalents; for by such substitution of chemical equivalents, patents may as well be infringed as by mechanical equivalents. When a new composition of matter or process of manufacture is invented and patented, it is easy for the chemist, with the aid of the specification in the inventor's patent, to suggest changes in the process by the substitution of chemical equivalents which may produce similar or better results. It does not necessarily follow that such a use of chemical equivalents would not infringe the patent, even if in some respects they were improvements on the original process patented.

Four classes of ingredients are common to the two patents. The first class of substances common to both is found in the material which gives the adhesiveness and forms the paste; viz., the flour. The second class is the bichloride of mercury, which arrests the putrefactive decomposition of the flour by its antiseptic action. The third class is a metallic chloride, which increases the solubility and assists in the diffusion through the mass of the paste of the bichloride of mercury, and perhaps performs another function in preventing the fermentive action of the glucose on the starch. The fourth class is alum, a substance added to give greater body to the paste. The materials used in the first, second, and fourth classes are identical in the process of the complainant and the defendants. In the third class, the material in each is a metallic chloride,—in one the chloride of sodium, in the other the chloride of zinc. Is the metallic chloride which the defendant uses in his process a known chemical equivalent for the metallic chloride which the complainant uses,—not a chemical equivalent in every respect and for every purpose, but an equivalent in this

particular process, contributing to produce the same composition of matter by substantially the same chemical action in combination with the other ingredients of the product? Such chemical equivalents are referred to in both patents, the complainant's patent claiming in terms the use of substantially the same or equivalent articles, if they accomplish the same purpose in substantially the same manner, and the respondents' specifying the other salts of zinc, such as the sulphate and the acetate, and also the chloride and the sulphate of copper, as equivalents to be used in place of the chloride of zinc.

Now, it is obvious that, for all purposes and in combination with all other substances, the chloride of zinc is no more a chemical equivalent for the chloride of sodium than, under all possible conditions, the sulphate of copper referred to in the specification of defendants' patent would be a chemical equivalent for the chloride of zinc; but it is equally obvious from the testimony in this case that, for the purposes of manufacturing the product of a preserved and innocuous paste, the chloride of sodium and the chloride of zinc are, when used as described in the respective patents, practically the equivalents of each other, because in the process of manufacture they practically produce the same results. Starting from the platform of the complainant's patent, with the advantage of his discoveries, it is plain that the defendant could, by inquiring of any chemist, have learned that the one could be used in this process in place of the other, with like results. This information he appears to have obtained of Dr. Jackson. From him or some other chemist, he obtained the information that the other salts of zinc and the other salts of copper would for this purpose be the chemical equivalents of each other, and of the chloride of zinc. His knowledge in either case was not the result of discovery or experiment. He appears to have started with an appropriation of the complainant's invention, and to have proceeded in precisely the same way as a person who, after having examined a patent for a machine containing several well-known mechanical contrivances in combination, should go to a mechanical expert to substitute some one or more mechanical equivalents for the contrivances in the patented machine, hoping thereby to take his machine out of the monopoly of the patent.

Every specification is to be read as if by persons acquainted with the general facts of the mechanical or chemical science

involved in such inventions. The specification of the parts in a mechanical or chemical process is a specification to ordinarily skilful mechanics or chemists of the well-known mechanical or chemical equivalents. If there are equivalents, mechanical or chemical, existing, but previously unknown to ordinarily skilful mechanics or chemists, these are not included in the specification, unless expressly stated therein. These are, in fact, new discoveries in themselves, independent of the specification, and may be used by all persons without infringing the patent.

It is further claimed that, by the action of the oil of cloves in the defendants' formula upon the corrosive sublimate, calomel is produced; and therefore the corrosive sublimate does not act upon the albumen in the flour, forming an albuminate of mercury, as in the complainant's process. But it is evident from the proofs in the case, that only a portion of the bichloride of mercury is thus acted upon by the oil of cloves, leaving sufficient for the action upon the albuminous portion of the flour, which the defendant describes in his specification, by stating, that "the objection to the use of corrosive sublimate in this composition is met by the fact that the gluten of the flour neutralizes the poisonous effect of the corrosive sublimate." The practical effect of the addition of the oil of cloves in the defendants' process, upon the bichloride of mercury, seems only to convert a portion of it into a substance of little or no use in the process, and to leave the chemical action of the residue upon the nitrogenous portions of the flour identical, substantially, with that in the complainant's patent, both as to the compound formed and the proportions of the elements effectually operative in forming it. If the preservative action in the defendants' paste results from the action of the chloride of zinc, and is not due to the action of the bichloride of mercury upon the albuminous portions of the flour, defendant can omit the use of the corrosive sublimate, or any well-known chemical equivalent of it, and make a paste which would not infringe upon the rights of the complainant. The essence of the complainant's discovery was, that the use of a very minute quantity of corrosive sublimate (in the proportion of about three grains to a pound of flour) would, in combination with another chloride or equivalent salt, arrest the tendency to fermentation in the paste, without imparting to it any poisonous properties.

The conclusion, therefore, to be deduced from the evidence in

the case is, that, so far as the ingredients in the two pastes are different, they are substantially the equivalents of each other, and, if there be any slight difference in the specific action of any of the ingredients upon each other, yet that the general results produced by the action upon each other of the several ingredients are alike, and the two pastes are substantially the same.

Decree for complainant.

MARCH, 1872.

AMERICAN SADDLE COMPANY v. CHARLES B. HOGG.

An invention of a pad for harness-saddles, having, as its distinguishing feature, an impervious bearing surface of vulcanized rubber or gutta-percha, is not anticipated by previous use of harness-saddle pads having bearing surfaces of other materials than vulcanized rubber, or rubber-cloth, or gutta-percha.

In a suit in equity to restrain infringement of a patent, a prior patent not mentioned in the defendant's answer is admissible only as evidence of the state of the art at the date of the invention claimed in the complainant's patent. If seasonable objection is taken, it is not admissible to show want of novelty in that invention.

BILL in equity for an injunction to restrain alleged infringement of letters-patent for an improved harness-saddle pad, granted R. C. Sturges Jan. 19, 1869; and for an account of profits. The case is stated in the opinion.

P. H. Hutchinson, for complainant.

S. E. Ireson, J. H. Bradley, for defendant.

SHEPLEY, J. The complainant is the patentee under letters-patent of the United States, issued on the nineteenth day of January, 1869, as assignee of R. C. Sturges, for a new and useful improved harness-saddle pad.

The inventor claimed as the distinguishing feature of his improved pad an impervious bearing surface of vulcanized rubber or gutta-percha. The principal advantage claimed for this bearing surface was not only that it protected the stuffing of the pad from animal exudations, and remained clean, smooth, and soft, but also that the effect of the vulcanized rubber surface was to prevent galls upon the back of an animal working under one of these pads, and that the sulphur used in the process of vulcanization had certain curative properties when the pads were used

upon horses or mules whose backs had become galled when working under other pads. His claim was for an improved pad for harness-saddles, the distinguishing feature of which is an impervious bearing surface of vulcanized rubber combined with the other portions of the pad, substantially as set forth in his specification.

The answer of the defendant puts in issue the novelty of the invention, and gives the names and residences of five different parties alleged by the defendant to have used and sold the substantial and material parts, claimed as new, before the invention thereof by the complainant's assignor.

The evidence in the record only proves the manufacture and use by the persons specified, or some of them, of a saddle pad constructed substantially in the same manner as those described in the complainant's specification, with a bearing surface of material other than vulcanized rubber or rubber-cloth. This evidence does not affect the novelty of the invention claimed by Sturges, the distinguishing feature claimed for which was the combination, with such pads as were previously made, of a new impervious bearing surface of vulcanized rubber.

Letters-patent of the United States, granted to William Leonard on the third day of September, 1867, have been introduced in evidence, and are admissible as showing the state of the art prior to Sturges's invention. Their competency for any other purpose is objected to by the complainant, defendant not having given any notice in the answer that he should rely upon these letters-patent, or the invention described therein, as showing prior knowledge or use.

The patent was for an improvement in horse-collars. The patentee described his invention as relating to the construction of the collar, with reference to the employment of vulcanized rubber, or its compounds, for the bearing surfaces thereof. The object, he states, of employing the rubber is to prevent absorption of perspiration from the body of the animal by and into the stuffing of the collar, and to obviate the formation of permanent wrinkles in that surface of the collar which comes in contact with the skin of the animal; and he considers the rubber beneficial for the cure of skin galls, by reason of the healing influence of the sulphur contained in the vulcanized material.

In Leonard's patent, as in the complainant's, reference is made

to a mode of securing to the edge of the rubber a strip of some stronger material, by which to secure the rubber to the remaining portions of the pad. It thus appears that the Leonard patent embodies, in the form of a horse-collar, substantially, if not identically, the same points of invention which in the complainant's patent are embodied in the form of a harness-saddle pad.

If this point of defence were open, therefore, to the defendant by the introduction of the Leonard patent, of which no previous notice was given in the defendant's answer, we might have been compelled to decide that the complainant was not entitled to a patent for applying a bearing surface of vulcanized rubber to that part of a harness which comes in contact with the back of an animal, when the same application of the same bearing surface for the same purposes to that part of the harness which comes in contact with the horse's neck had been previously patented; for it is difficult to discover any thing new and material, either in principle, in combination, or in the mode of operation, in order to adapt it to its new use. But the Leonard patent is not set up in defence in the answer; the objection to its introduction in evidence was seasonably taken, and clearly it cannot be admitted in evidence to supersede the invention of the assignor to the complainant, as that would operate as a surprise upon the complainant. *Howe v. Williams*, 3 Fisher, 411.

The case of *Vance v. Campbell*, 1 Black, 427, relied upon by the defendant, decides only that no notice is necessary in order to justify the admission of evidence, for the purpose of showing the state of the art in respect to improvements existing at the date of the complainant's invention, in the class of articles to which it belongs.

In reference to the state of the art prior to the inventions of Leonard and Sturges, the use of a vulcanized rubber bearing surface for the purposes set forth by Leonard and by Sturges was new and patentable. Whether the invention of Leonard anticipated and superseded that of Sturges is a question not raised by the pleadings in this case, and respecting which no competent evidence is to be found in the record.

Treating the complainant's patent, as upon the evidence in this case the court is bound to treat it, as a good and valid patent, it is unnecessary to say any thing further upon the subject of infringement than that Exhibit E, one of the saddle pads made by

the defendant, is so manifestly identical with Exhibit D, the saddle pad manufactured under complainant's patent, that it differs from it in no respect, except the addition of an elastic loop to attach it to the saddle.

The defendant's patent, if valid, is only so for the combination with the pad of his elastic loop, as distinguished from non-elastic loops previously used. There is no pretence that this gives him any right to use the invention of the complainant, or of any person, to which his elastic band or loop may be applied.

Decree for complainants.

MARCH, 1872.

WILLIAM H. SIMPSON v. PACIFIC MUTUAL INSURANCE
COMPANY.

A policy of insurance on a vessel for a voyage to a certain port and twenty-four hours after anchoring in safety, is not terminated by her arrival, and lying at anchor in safety more than twenty-four hours, at the anchorage ground outside the harbor of the port, and there, according to the custom of vessels of her draught bound for the port, discharging part of her cargo by lighters, in order to enable her to pass over a bar at the entrance to the harbor.

ACTION at law upon a policy of insurance. The case was submitted to the court on an agreed statement of facts, the material parts of which are stated in the opinion.

F. C. Loring, for plaintiff.

Oliver Prescott, George Marston, for defendant.

SHEPLEY, J. This suit is against the defendant as underwriter on a policy of insurance upon the ship *Live Oak*, for a voyage from Cardiff to New Zealand, Callao, Chincha Islands, and thence to Valencia, Spain. The policy was to terminate on the arrival of the ship at Valencia, in the kingdom of Spain, and being at anchor twenty-four hours in safety. Proofs of loss were exhibited to the defendant April 25, 1868. Payment is refused, on the ground that the risk had terminated before the ship was lost.

The ship arrived on the seventh day of December, 1867, at the anchorage ground, which is open and exposed outside of the artificial harbor of Valencia. At this anchorage ground

vessels of large draught anchor and lie, until they are lightened sufficiently to pass the bar at the entrance of an outer artificial basin, formed by stone walls projected into the sea, where they are further lightened, until they can pass the bar at the entrance of the inner artificial basin or harbor, where the discharge of the cargo is completed by lighters. Vessels are never discharged completely at the anchorage ground.

On the eighth day of December lighters came and began to discharge, and continued to do so on the ninth, by which the vessel was lightened about one foot. On the morning of the tenth there were signs of a heavy gale, and the master received orders from the captain of the port to send down the top-gallant-yards and masts, and to have axes in readiness to cut away the masts.

Afterwards the master started for the shore, and was informed that the captain of the port had ordered the pilots to bring the ship into the outer harbor, and that a steam-tug was coaling for the purpose. The master protested to the pilots and to the captain of the port, whose authority in such cases is supreme, against this being attempted, considering that, as the sea was very high, the danger of being driven ashore, if the ship remained at anchor, was much less than that of taking the bottom in crossing the bar. But the officers of the port insisted. The tug went to the ship, made fast, and attempted to tow her in. Near the end of the breakwater three heavy seas came in together: the first broke between the ship and the tug, throwing the latter ahead with such force as to cause the bitts to which the hawsers were fastened to give way. The ship immediately struck the bottom, her keel came up, in twenty minutes she had seventeen feet of water in her hold, soon filled, and began to break up, and was totally lost. None of the crew had been discharged.

The question presented for adjudication is, whether, on the facts which appear in this case, the ship is to be considered as having arrived at Valencia, and been at anchor twenty-four hours in safety before she was wrecked. If she had, the risk had terminated; if she had not, the defendant is liable.

A vessel arrives at a port of discharge when she comes, or is brought, to the place where it is intended to discharge her, and where is the usual and customary place of discharge. When a vessel is insured to one or two ports, and sails for one, the risk terminates on her arrival there.

If a vessel is insured to a particular port of discharge, and is destined to discharge cargo successively at two different wharves, docks, or places, within that port, each being a distinct place for the delivery of cargo, the risk ends when she has been moored twenty-four hours in safety at the first place. But if she is destined to one or more places for the delivery of cargo, and delivery or discharge of a portion of her cargo is necessary, not by reason of her having reached any destined place of delivery, but as a necessary and usual nautical measure, to enable her to reach such usual and destined place of delivery, she cannot properly be considered as having arrived at the usual and customary place of discharge, when she is at anchor for the purpose only of using such means as will better enable her to reach it.

If she cannot get to the destined and usual place of discharge in the port, because she is too deep and must be lightened to get there, and, to aid in prosecuting the voyage, cargo is thrown overboard or put into lighters, such discharge does not make that the place of arrival: it is only a stopping-place in the voyage.

When the vessel is insured to a particular port of discharge, arrival within the limits of the harbor does not terminate the risk, if the place is not one where vessels are discharged and voyages completed. The policy covers the vessel through the port navigation as well as on the open sea, until she reaches the destined place.

In *Meigs v. The Mutual Marine Ins. Co.*, 2 Cush. 453, the court say, "Reaching the harbor, therefore, cannot be arriving, within the meaning of the policy; and if it do not mean that, it must mean that particular place or point in the harbor which is the ultimate destination of the ship. Until that point is reached, the voyage is not ended, and the ship has not arrived; though she may be obstructed and delayed in her progress through the harbor, and for want of water, or by adverse winds or other causes, be obliged to come to anchor, and remain at anchor twenty-four hours, and to take out some portion of her cargo. While she is properly pursuing her course to the place of her ultimate destination and of completed and final unlading, and until she reaches that place, and has been moored there in safety twenty-four hours, she is insured and protected by the policy."

In *Brown v. Tierney*, 1 Taunt. 516, a vessel bound for Pillaw had arrived at Pillaw Roads, where ships bound for Pillaw which

draw much water usually bring to, and unload some part of their cargo to lighten them sufficiently for passing the bar. Although the ship had arrived at the place where she was to begin unloading, and had reached her port of discharge, yet inasmuch as it was not proved to be ever the practice wholly to discharge a ship in Pillaw Roads, but only to lighten her sufficiently to enable her to enter the harbor, it was decided that the ship was to be considered "as much at open sea as ever she had been."

In *Samuel v. The Royal Exchange Assurance Co.*, 8 B. & C. 119, a vessel insured from Sierra Leone to London, and upon which the insurance was to endure until she had been moored in good safety twenty-four hours, arrived on the 18th of February, and the captain, having orders to take her into the King's Dock at Deptford, moored her near the dock gates. On account of ice in the river, the ship could not enter the dock until the 27th; and then, in warping her towards the dock, a rope broke, she grounded, and was totally lost. Lord Tenterden held, that, the place where the vessel was moored not being the place of her ultimate destination, the policy did not expire when she had been there in safety twenty-four hours.

In the case of *Brereton v. Chapman*, 7 Bing. 559, it was held, that the lay-days allowed by a charter-party, for a ship's discharge, are to be reckoned from the time of her arrival at the usual place of discharge, though she should, for the purposes of navigation, discharge some of her cargo at the entrance of the port, before arriving at the usual place of discharge.

In the case of *Whitwell v. Harrison*, 2 Exch. 127, the vessel was chartered to take on board a cargo of timber at Quebec, and to proceed therewith to Wallasey Pool, in the river Mersey, or as near thereto as she could safely get, and there discharge her cargo. The vessel arrived as near to Wallasey Pool as she could safely get, and did actually begin to discharge her cargo accordingly, discharging her crew altogether, and leaving none of them on board for the purpose of further navigation. It appeared in evidence that the captain always intended ultimately to carry the vessel into Wallasey Pool, with as much of the cargo on board as she could carry over the shallow part intervening between his original anchorage and the Pool. But it was also clearly established that the discharge of the cargo was going on in due course, and that, if the water were not sufficient, and no accident had

occurred, the whole cargo would have been discharged in the place where the vessel was moored. The court decided, that, as the ship was bound either to Wallasey Pool, or as near thereto as she could safely get, that that was the intended place for the discharge of her cargo, and that therefore the vessel had clearly arrived at the port of her discharge. Alderson, B., in delivering the judgment of the court, distinguishes the case of *Whitwell v. Harrison*, by saying, "The case of *Brereton v. Chapman*, 7 Bing. 559, does not appear to us at all to affect this question. There the vessel was still in progress to the ultimate place of the discharge of her whole cargo; and all that was done was to put on board lighters a portion of the cargo, in order that the vessel might be enabled thereby, without delay, to proceed with them to the usual place of discharge. There the whole crew remained on board, and the vessel was in all respects really continuing her voyage."

In the case of *Whitwell v. Harrison*, the case turned upon the facts that the vessel had arrived at one of the places of discharge specified in the charter-party, as the intended places for the discharge of the cargo, and that the discharge of the cargo was going on in due course, and not merely for the purpose of further navigation. *Whitwell v. Harrison*, therefore, differs in no degree from the earlier cases, which decide that the place at which a vessel unloads the whole or part of her cargo for the purpose of discharge will be the place of the termination of a risk to a port of discharge. But neither *Whitwell v. Harrison*, nor any other case which we have been able to find, decides that a place at which a vessel unloads part of her cargo, in order to lighten the vessel and enable her to proceed with the residue, would be the place of the termination of the risk to a port of discharge.

The recent case of *Bramhall v. Sun Ins. Co.*, 104 Mass. 510, was decided upon the following state of facts, as stated in the opinion of Judge Gray (p. 517): "It is clear that the *George Washington* had safely arrived at her port of discharge in Spain, and been there moored twenty-four hours in good safety before the loss sued for. She proceeded to Valencia to discharge, and anchored at that port in an open roadstead, exposed indeed on one side to the winds and seas, but with good anchorage and holding ground. She was fully entered at the custom-house; and the master lodged her papers with the consul of the United States,

as required by law, notified the consignees of his readiness to discharge, dismissed part of her crew, retaining only enough to protect the ship, and himself left the ship and returned to the United States before the loss. The ship drew too much water to come into the basin ; and the place of her anchorage is found to have been the place at which ships of her draught are usually discharged, by means of lighters furnished by the consignees at the expense of the ship, by stevedores from the shore, and without the assistance of the crew ; although such vessels, 'discharging at the anchorage, generally, but not uniformly, come into the basin after sufficiently reducing their draught, for greater convenience of lightering and taking in ballast.' As soon as lighters were furnished by the consignees, three days after she reached her anchorage, the ship began to discharge, lay at anchor there for more than three weeks, and discharged one-third of her cargo."

The facts in the case before the court are clearly distinguishable from the facts agreed in *Bramhall v. Sun Ins. Co.* In that case, the place of the vessel's anchorage was found to have been the place at which ships of her draught are usually discharged. In this case, it is clearly proved that vessels are never completely discharged at the anchorage ground, but only lightened sufficiently to enable them to reach the inner harbor. In several other particulars, more or less important, the cases differ.

But the substantial difference in the two cases, as agreed by the parties and established by the proofs in the case, consists in this: that in *Bramhall v. Sun Ins. Co.* it was agreed by the parties, and found by the court, that the anchorage ground where the *George Washington* unladed a portion of her cargo ; where the master dismissed part of the crew and himself left the ship to return home to the United States ; where the ship lay at anchor for more than three weeks, and discharged a third of her cargo before the loss, — was a usual and destined place of discharge ; while, in the case before the court, it most clearly appears from the facts agreed and proved in the case, that the lightering of the *Live Oak* at the anchorage ground was only to lighten her in order to enable her to get to her place of destination.

The question presented in this case, therefore, is the precise question stated by the court in the case of *Meigs v. Mutual Marine Ins. Co.*, 2 Cush. 452, 453, where they say, "The simple question, therefore, is, whether the ship, being destined to the

wharf as the place of unlading, but being obliged to anchor after coming within the harbor, for the purpose of lightening, to enable her to get up to the wharf, there not being sufficient water for her to reach the wharf with the cargo all in, is to be considered as having arrived within the meaning of the policy, upon reaching the place of anchoring for the purpose of lightening."

Upon the facts as agreed in the case of *Bramhall v. Sun Ins. Co.*, we would not undertake to decide, as contended for by the plaintiff's counsel, that the decision in that case is not in harmony with the authorities before referred to.

But, upon the facts as agreed and proved in this case, it seems to the court clear, both upon principle and authority, that the Live Oak cannot properly be considered as having arrived and been moored in good safety for twenty-four hours before the loss.

Judgment for plaintiff.

MAINE DISTRICT.

MARCH, 1872.

WARNER MILLER v. THE ANDROSCOGGIN PULP COMPANY.

The invention of a method of reducing wood to paper pulp by tearing out the fibres of the wood by means of a grinding-surface moving substantially across the fibres of the wood and in the same plane with them, described and claimed in the reissue to A. Pagenstecher, dated June 6, 1871, of the patent originally granted Henry Voelter, Aug. 10, 1858, is not anticipated by the French patent granted Christian Voelter, March 2, 1847, or the English patent of R. A. Brooman, dated June 10, 1853.

It appearing that there had been undisputed possession for many years under the patent sued on; that the patented invention was new and useful; and that the infringement was clear; a preliminary injunction was granted.

BILL in equity to restrain alleged infringement of letters-patent for an improvement in reducing wood to paper pulp, originally granted Henry Voelter, Aug. 10, 1858, antedated Aug. 29, 1856, extended for seven years; reissued June 6, 1871, to A. Pagen-

stecher, and by him assigned to the complainant. The case is stated in the opinion.

Causten Browne, A. A. Strout, Jabez S. Holmes, for complainant.

Chauncey Smith, William H. Clifford, for defendant.

SHEPLEY, J. The defendant in this case is charged with an infringement of letters-patent for a new and useful improvement in reducing wood to paper pulp, for which letters-patent were issued to Henry Voelter, assignor to Alberto Pagenstecher. The letters-patent were originally issued to Henry Voelter, Aug. 10, 1858, antedated Aug. 29, 1856; reissued April 6, 1869, to A. Pagenstecher, assignee; extended for seven years from Aug. 29, 1870; reissued June 6, 1871, to Pagenstecher, as assignee; re-issue assigned to complainant June 8, 1871.

The Voelter patent is for an improvement in the art of reducing wood into pulp for use in paper, and also for certain improvements in machinery therefor. In the specification of the reissued patent Henry Voelter states: —

“The art of reducing wood to pulp by subjecting the same to the action of a revolving stone is not a new one, machinery for grinding wood while a current of water was applied to the stone having been patented in France, by Christian Voelter, as early as 1847 (see vol. x., 2d series, *Brevets d’Invention*); and in England, by A. A. Brooman, of London, in 1853 (see *Repertory of Patented Inventions* for May, 1854, page 410).

“In all the processes known or used prior to my present invention, the wood has been acted upon by the stone in one of two ways: viz., either by causing the surface of the stone to act upon the ends of the fibres, the surface of the stone moving substantially in a plane perpendicular to the fibres of the wood; or, secondly, by acting upon the fibres in such a direction that they were severed diagonally, the surface of the stone moving diagonally across the fibres.

“The first plan, in fact, made powder of the wood. The pulp had no practical length, and, on trial, proved worthless, or nearly so. The second plan was carried out by the use of a stone revolving like an ordinary grindstone, the wood being applied upon the cylindrical surface thereof, with the fibres perpendicular, or nearly so, to planes passing through the axis of the stone, and the point or locality where the grinding was performed; and this plan also failed, because the fibres were cut off in lines diagonal to their

own length, and were consequently too short to make good pulp. There were other difficulties attending the process, not necessary here to mention.

“Such was the state of the art prior to my invention; and my improvement in the art consists in grinding, or rather tearing out, the fibres from the bundle of fibres which makes up a piece of wood, by acting upon them by a grinding-surface which moves substantially across the fibres, and in the same plane with them.”

The first claim in the reissued patent is for “the improvement in the art herein described, which consists in tearing or grinding out fibres from blocks of wood, in the manner substantially as described, without cutting or severing the fibres either perpendicularly or diagonally to their length, as heretofore practised in this art.” The third claim is for “the combination of a grinding-surface and cells or boxes for blocks of wood, so constructed and arranged with reference to the surface that the fibres of blocks of wood placed therein lie in the plane, substantially, of the grinding-surface, and across the line of motion of points in the grinding-surface. The fourth claim is for, “in combination with a revolving grinding-surface, blocks of wood, so held thereon that their fibres are in the relation to the surface and to the motion of points thereon, substantially as described, so that, by the operation of the grinding-surface upon the blocks, fibres will be separated from the same without being cut across.”

It is clear that the defendant uses the improvements and combinations described in the first, third, and fourth claims of the Henry Voelter patent.

The defence is placed substantially upon the ground that the Christian Voelter patent of 1847, referred to by Henry Voelter in his application in 1858, described the same mode of defibring the wood that the reissue describes and claims. Defendants contend further, that the reissued patent, as interpreted by them, does not state otherwise.

After a careful examination of the specification in the last reissued patent, it appears to be evident that Henry Voelter, after referring to the inventions of Christian Voelter and A. A. Brooman, as describing the state of the art prior to his invention, refers to these two patents when he says, “In all the processes known or used prior to my present invention, the wood has been acted upon by the stone in two ways: viz., either by causing the surface

of the stone to act upon the ends of the fibres, the surface of the stone moving substantially in a plane perpendicular to the fibres of the wood ; or, secondly, by acting upon the fibres in such a direction that they were severed diagonally, the surface of the stone moving diagonally across the fibres. "The first plan" (and herein I think he clearly refers to the invention of Christian Voelter), "in fact, made powder of the wood." The pulp had no practical length, and, on trial, proved worthless, or nearly so. "The second plan" which Henry Voelter describes, is an exact description of the plan of Brooman ; and he goes on to state that this plan also failed, because the fibres were cut off in lines diagonal to their own length, and were consequently too short to make good pulp. Having thus described the state of the art prior to his invention, he describes his own improvement in the art to consist in grinding, or rather tearing out, the fibres from the bundle of fibres which make up a piece of wood, by acting upon them by a grinding-surface, which moves substantially across the fibres, and in the same plane with them.

This distinction between his process of defibring the wood appears to the court to be clearly suggested, indicated, and claimed in the first application of Henry Voelter for a patent, as distinguished from the prior inventions of Christian Voelter and Brooman, in those portions of the specification wherein he states that these prior patents are for the very same, or essentially the same, invention ; and that the principle and elements of his invention have nothing in common with any known or used machinery or apparatus for preparing and assorting wood pulp, except the employment of a circular and rotating mill or grindstone as a reducing agent.

After further reference to the prior state of the art, as developed in the patents of Christian Voelter and Brooman, he proceeds to state that a most important and decidedly novel feature is introduced in his invention, by constructing and arranging the reducing apparatus in such a manner as to admit of a position of the block, with its fibres parallel to the axis of the revolving stone. This position of the fibres of the wood in the plane, substantially, of the grinding-surface, and across the line of motion of points in the grinding-surface, is as clearly stated in his first application to be a most important and decidedly novel feature of his inven-

tion as it is in the third and fourth claims of the last reissued patent.

If the invention of Christian Voelter embraced the principles and elements of this invention, so far as the position of the fibres of the wood in their relation to the plane of, and the line of motion of points in, the grinding-surface is concerned, — being the principle and elements which distinguish the process of defibring the wood from all prior processes, which severed the fibres either perpendicularly or diagonally to their length, — then there was a wilful *suggestio falsi* in the original and all subsequent specifications of the Henry Voelter patent.

It cannot for a moment be contended that Henry Voelter did not understand the invention of Christian Voelter, so far as it related to this position of the fibres of the wood in their relation to the plane of, and the lines of motion of points in, the grinding-surface. If any such position of the fibres was contemplated in the invention of Christian Voelter, whereby they would be disintegrated and separated, instead of being ground off perpendicularly or cut off diagonally, then Henry Voelter, who was a brother and partner of Christian Voelter, and familiar with his process, must not only have known it, but, knowing it, have wilfully misstated it; and, in the same paper in which he misstated it, have referred to the evidence, which would have proved his statement to be false, and his claim that his process of defibring the wood, as distinguished from grinding or cutting off the fibres, was an important and novel feature of his invention, to be groundless.

The very vague and meagre description, in the Christian Voelter patent, of the mode in which the wood is applied, would not alone afford any conclusive evidence as to the relative position of the fibres of the wood to the grinding-surface. The only description in the patent relates to the position of the block itself, in relation to the grinding-surface, and contains in it no word necessarily descriptive of the relation of the fibres of the wood to the grinding-surface. He says only, "Several bits or pieces of knotless timber, of a length equal to the thickness of the grindstone, are pressed against its external circumference."

Defendants contend that the word "length" refers to the dimensions of the block in the line of the fibres of the wood, as distinguished from its true length. The word "length" is undoubtedly sometimes used in this sense. Upon this point it is sufficient to

say, that these words of description are so ambiguous, that they might have been applicable either to a block of wood with its fibres substantially parallel to the plane of the grinding-surface, and perpendicular to the lines of motion of points in the grinding-surface, or applicable to a block of wood with the fibres substantially perpendicular to the grinding-surface. The word "length," it will be observed, in this description, is used only for the purpose of showing that the dimensions of the block in one direction are to be equal to the thickness of the grindstone, for the purpose of utilizing the whole grinding-surface.

The description itself, therefore, being so ambiguous as not to enable us to determine, by that alone, the relation of the grinding-surface to the fibres, we must look to the remainder of the description to see if we can ascertain from the description of the results of the action what action was contemplated. Is there any thing in the subsequent language of the patent describing what follows from the action of the grinding-surface upon the fibres of the wood, which indicates whether the fibres were disintegrated, as they would be if the blocks were placed with the fibres in one position, or ground or cut off, as they would be if the fibres were placed in the other position in relation to the grinding-surface? In the one case, there would be long fibres, or bundles of fibres, of unequal thickness; in the other, short fibres, more or less nearly partaking of the character of dust or powder. The patentee says, in the subsequent portion of his specification, referring to the bits of wood before referred to, "These pieces are soon fretted away by the ruggedness of the grindstone, and reduced to a kind of pulp, which, falling into a water-bath situated at the interior part, is transformed into a pulp or paste of a greater or lesser thinness, according to the intention. That pulp is mixed with a variable proportion of rags, to be thus used for the fabrication of paper." It is manifest from this, that the relation of the grinding-surface to the fibres of the wood was one which was intended to fret away the wood into a powder or dust, which, falling into a water-bath, would, without any previous screening, be transformed into a pulp or paste suitable to be mixed with rags, to be thus used for the fabrication of paper. The language used, the process described, the results attained, are utterly irreconcilable with the idea of any such defibring of the wood, as should take place if the fibres were disintegrated and separated

in such a manner as to require subsequent screening and classification, and are entirely reconcilable with the construction that the fibres were to be ground or fretted away to a powder, which, falling into a water-bath, would be transformed into a paste or pulp ready for admixture, like China clay, with rags, for the use and manufacture of paper. Aided by this description of the results of the action of the grinding-surface upon the wood, we find no difficulty in the construction of the Christian Voelter patent, or in determining that the first sentence quoted from the patent contemplates such a relative position of the fibre to the grinding-surface as would afford the result described in the sentence last quoted; that is, substantially, that the ends of the fibres were presented to the action of the grinding-surface. This is the construction which Henry Voelter puts upon the Christian Voelter patent. This is the construction which the Patent Office has four times put upon it.

Without, upon this motion for a preliminary injunction, stating more elaborately the other reasons which have influenced the mind of the court in coming to this conclusion, I have only to remark, in conclusion, that I entertain no doubt that this construction, so repeatedly given and so long acquiesced in, is clearly correct.

The complainant has for a long time been in exclusive possession under the Henry Voelter patent, with the acquiescence of the public therein; and there is no evidence of any interruption of the exclusive possession under this patent tending in any way to weaken the presumption in favor of his title arising from this enjoyment and acquiescence. The novelty of the plaintiff's invention is not questioned, except by the claim that it was anticipated by the patents to Brooman and Christian Voelter. These patents were referred to in the original application of Henry Voelter; the construction of these patents has four times been passed upon at the Patent Office, as not anticipating the claims in question in the Henry Voelter patent. The court entirely concurs in the construction thus given. It is not perceived that any additional light upon the question of the interference with or anticipation of this patent by those set up in the answer, could be afforded by any evidence likely to be taken before the final hearing in the cause. So far, therefore, as the question of the novelty of the invention is concerned, the question is as fully presented to

the court as there is any reason to suppose it can be at the final hearing.

Entertaining no doubt, upon the evidence now presented, of the novelty of the invention, the defendant's process being substantially identical with that claimed in the first, third, and fourth claims of the complainant's patent, it is clearly the duty of the court, under the circumstances, to give the plaintiff the benefit of that presumption of title which the patent affords, and which, in this case, it especially affords him, as against any adverse right set up under patents referred to by him in his original application and so frequently decided by the Patent Office not to interfere with the originality of the inventions claimed by him.

Injunction ordered.

MASSACHUSETTS DISTRICT.

APRIL, 1872.

GLOVER SANFORD *et al.* v. MATTHEW MESSER *et al.*

Any assignment which does not convey to the assignee the entire and unqualified monopoly which the patentee holds in the territory specified, or an undivided interest in the entire monopoly, is a mere license.

Where a patentee has granted the exclusive right to use and vend the patented invention within a specified territory, reserving to himself the right of manufacture, the legal title to the monopoly remains in him; and he alone can maintain an action against a third party who commits an infringement.

BILL in equity to restrain alleged infringement of letters-patent for an improvement in sewing-machines, granted the complainants, as assignees of Frederick S. Sanford and Dwight Wheeler, April 10, 1866; and for an account. It was contended for the defendants, amongst other things, that the bill was defective for want of proper parties plaintiff, the complainants having, before the suit, granted to third parties the exclusive right to use and vend the patented invention in Massachusetts; thus, as was claimed, making them joint owners of the patent with the complainants.

James B. Robb, for complainants.

Chauncey Smith, W. W. Swan, for defendants.

SHEPLEY, J. This is a suit in equity founded on letters-patent granted by the United States "for a new and useful improvement in sewing-machines, applicable to the ordinary sewing-machine, by which it may be adapted to sew sweat-linings into hats without any alteration in the organizations of such machines."

An objection is made, that the bill is defective for want of parties. Defendants claim, that, since the date of the patent, the plaintiffs have transferred such an interest in the patent, in and for the State of Massachusetts, that they have not the exclusive ownership of the patent, and are not entitled to maintain the bill of complaint. It appears that the patentees conveyed to Stanwood and Bailey all their interest in the invention as secured to them by the letters-patent for, to, and in the State of Massachusetts, except the right to build said machines. Any assignment which does not convey to the assignee the entire and unqualified monopoly which the patentee holds in the territory specified, or an undivided interest in the entire monopoly, is a mere license. The monopoly granted to the patentees is for an entire thing. It is the exclusive right of making, using, and vending to others to be used, the improvement described in the patent, and for which the patent is granted. The instrument introduced in evidence by the defendants purports to convey to Stanwood and Bailey the exclusive right in certain specified territory to use, and vend to others to be used, the patented invention; but it does not convey, but expressly reserves to the grantors, the right to make the machines.

As well stated by Chief Justice Taney in *Gayler v. Wilder*, 10 How. 494, it was obviously not the intention of the legislature to permit several monopolies to be made out of one, and divided among different persons in the same limits. Unquestionably a contract for a purchase of a portion of the patent-right may be good as between the parties as a license, and enforced as such in the courts of justice; but the legal right in the monopoly remains in the patentee, and he alone can maintain an action against a third party who commits an infringement upon it. The bill of complaint in this case charges that defendants have made, and do make, the patented invention in violation of complainants' rights under the patent. The bill can unquestionably be main-

tained for that infringement of the exclusive privileges of the complainants, even if it were necessary to join other parties as complainants in a bill alleging infringement only by vending and using.

The next inquiry is, whether Sanford and Wheeler were the original and first inventors of the improvement described in the specification and letters-patent. To negative this, defendants rely upon letters-patent of the United States granted to Rudolph Eickemeyer Aug. 9, 1859, and Feb. 20, 1866, and to E. M. Hendrickson, Feb. 4, 1862. They have offered these letters-patent in evidence, and have also filed as exhibits in the cause the several machines made by Eickemeyer and Hendrickson, embodying the principles of the invention described in the respective patents. These are machines not applicable to the ordinary sewing-machines in common use. They embody inventions consisting in radical changes in an entire reconstruction of the sewing-machines, to adapt them to the new use. It does not appear to the court that there is any necessary conflict between these machines and the plaintiffs'. They do not contain the elements described in the plaintiffs' patent: namely, "a sewing-machine in which the needle-bar, the presser-foot, the looper, and the feed are all constructed and operated in the usual manner;" nor "a work-plate arranged relatively to the feed, the needle, and the looper, like the ordinary work-plate." The object and purpose of the plaintiffs' invention were to substitute for the ordinary work-plate used in sewing-machines in common use a work-plate of peculiar construction, with a guide for the sweat-lining, and also a guide for the hat, by means of which any common sewing-machine may be used for sewing sweat-linings into hats without any change or alteration in the construction or mode of operation of any of its working parts, so that by changing the work-plate the sewing-machine could be used for sewing sweat-linings into hats, or performing the ordinary work of the common sewing-machine, as occasion might require. In this respect it differs substantially from the exhibits R, S, T, U, and V, ingenious, but complicated and expensive, sewing-machines, specially adapted for the sole purpose of this branch of manufacture, embodying the inventions of Eickemeyer and Underhill and Hendrickson.

The defendants have infringed, by the use of a work-plate sub-

stantially like the plaintiffs', differing from it only in the fact that one of the faces of the angular plate is wood instead of metal; and a guide for the sweat-lining, formed for that purpose on the face of the presser-foot; and a guide for the hat, a contrivance consisting of a peculiar form of the presser-foot, together with a projecting pin; — these two guides, in combination with the work-plate and with the ordinary stitching apparatus, accomplishing the same results as in the plaintiffs' machine, by means substantially the same, and in the same manner and in the same combination. The defendants' machine, exhibit D, embodies the plaintiffs' invention in a slightly altered form. The organization and operation of the plaintiffs' and defendants' machines are the same in substance, the differences between them consisting only in changes of form, leaving all the elements of the plaintiffs' combination in the defendants' machine.

Decree for injunction and account.

MAY, 1872.

EDWARD H. ASHCROFT v. JAMES J. WALWORTH *et al.*

The title of an insolvent debtor to, or his interest in, letters-patent of the United States for an invention, does not pass to his assignee in insolvency by an assignment of his property, made by a judge of probate and insolvency under the insolvency law of Massachusetts.

An assignment of all the grantor's right, title, and interest, in and to a certain patent, carries only the existing interest of the grantor at the time of the assignment.

An unrecorded assignment of all the grantor's right, title, and interest, in and to a certain patent, is good as against a subsequent recorded assignment by the same grantor to a purchaser having notice of the previous assignment.

BILL in equity for an injunction to restrain alleged infringement of letters-patent for an improvement in pipe-tongs, granted to James R. Brown Nov. 30, 1858; and for an account of profits.

The defendants claimed the right to make and sell the patented article under several assignments. Among these was an assignment of the property of the patentee, then an insolvent debtor, duly made to one Kingsbury, his assignee in insolvency, by a judge of probate and insolvency, according to the insolvency law of Massachusetts; and a subsequent assignment by Kingsbury of all his right, title, and interest in and to the letters-patent.

The defendants also claimed the right to make and sell the patented article under conveyances of Richard A. Brown to one Norton. It appeared that, on the 12th of October, 1860, Richard A. Brown was the owner, by the patentee's assignment, of an exclusive right to manufacture the patented article, and on that date assigned back to the patentee all his right, title, and interest, in and to the patent. Subsequently he conveyed all his right, title, and interest, to Norton. His conveyances to Norton were recorded in the Patent Office before his assignment to the patentee was; but Norton took them with knowledge of that assignment.

James B. Robb, for complainant.

Chauncey Smith, W. W. Swan, for defendants.

SHEPLEY, J. The patent in this case was granted to James R. Brown Nov. 30, 1858. Previously to this time, Nov. 6, 1858, Brown had conveyed to one William Freedly one-half of his interest in the invention, and any patent which might be granted therefor. On the 31st of March, 1859, Freedly conveyed his interest to Silas B. Goldthwait.

The title stood one-half in James R. Brown and one-half apparently in Goldthwait on the sixteenth day of June, 1860, at which time James R. Brown went into insolvency under the law of Massachusetts. It is claimed by the defendants, that, by virtue of the proceedings in insolvency, all the interest which James R. Brown then had in the patent passed to George H. Kingsbury, his assignee. The insolvent law of Massachusetts authorized the judge, "by an instrument under his hand, to assign and convey to the assignee all the estate, real and personal, of the debtor, except such as is by law exempt from attachment, with all his deeds, books, and papers relating thereto;" and it provided that "the assignment shall vest in the assignee all the property of the debtor, real and personal, which he could lawfully have sold, assigned, or conveyed, or which might have been taken on execution upon a judgment against him," &c. . . . "and shall be effectual to pass all said estate," &c. Under this statute, it has been decided that the property vests in the assignee by force of the statute rather than by virtue of the terms of the assignment. *Clarke v. Minot*, 4 Met. 346, 348.

The act of Congress of 1836, chap. 357, sect. 11, provides that every patent shall be assignable at law, either as to the whole

interest or any undivided part thereof, by an instrument in writing; which assignment shall be recorded in the Patent Office within three months from the execution thereof. This act clearly contemplates a written instrument, signed by the owner of the patent and duly recorded in the Patent Office, as necessary to vest the legal title in the purchaser.

The insolvent law of Massachusetts provides further, for confirming the assignment made by the judge, by making it the duty of the debtor "to execute all such deeds and writings, and do all such other lawful acts and things, as may be necessary or useful for confirming the assignment so made by the judge, and to enable the assignee to receive or become possessed of all the estate and effects assigned as aforesaid, especially such part thereof as may be without the commonwealth." This is an express recognition of the fact that there may be property so situated in other countries or states or territories, that the assignment itself would be ineffectual to pass it and transfer the title to the assignee without an instrument of conveyance from the debtor. Especially is this the case with patent-rights; for, in the language of Mr. Justice Curtis, "these incorporeal rights (copyrights and letters-patent) do not exist in any particular State or district: they are coextensive with the United States. There is nothing in the act of Congress or in the nature of the rights themselves to give them locality anywhere so as to subject them to the process of courts having jurisdiction limited by the lines of States and districts." *Stevens v. Gladding*, 17 How. 451.

It might have been competent for the court under the insolvent law to have compelled the debtor to execute such an instrument in writing as, in accordance with the provisions of the patent act, would have been effectual to transfer the title in the patent to the assignee. If a right in a patent was such property as did not come within the exceptions of the insolvent law, as property not liable to attachment, or if it is of such a nature that it is subject to the operation of State insolvent laws, this would seem to have been the only proper and effectual mode to have made it available for the benefit of the creditors.

Without such a conveyance as the statute of the United States contemplates, we do not think the assignee acquires any legal title to any interest the debtor may have in any letters-patent. To invest the assignee with the legal title, the court must com-

pel a transfer in conformity with the requirements of the patent act. *Stephens v. Cady*, 14 How. 530, 531. No title, therefore, vested in Kingsbury, the assignee, no such instrument in writing assigning the debtor's interest to him ever having been made and recorded in conformity with the requirements of the act of Congress.

The defendants did not acquire any title through the conveyances to Richard A. Brown, and from him to Norton. Before the conveyances from Richard A. Brown to Norton, he had reconveyed to his father, James R. Brown; and although that conveyance was not recorded, it was good as against Norton, for Richard A. Brown only undertook to convey whatever right, title, or interest he had under the patent to manufacture the thing patented; not the patent itself, or any undivided interest therein. Nothing passed but the actual interest the grantor had at the time. *Brown v. Jackson*, 3 Wheat. 449.

Norton was not a *bona fide* purchaser, but took the conveyances with full knowledge of the previous conveyance from Richard A. Brown to James R. Brown. Complainant is entitled to a decree for an account of the patented pipe tongs made, used, or sold by the defendants since the conveyance to the complainant; and to an injunction, according to the prayer in the bill.

Decree accordingly.

MAY, 1872.

UNITED NICKEL COMPANY v. FREDERICK C. ANTHES.

Abandoned experiments, however suggestive, producing no practical and useful result, do not affect the validity of a subsequent patent to an original inventor.

The patents granted Isaac Adams, Jr., for improvements in the electro-deposition of nickel, dated Aug. 3, 1869, and May 10, 1870, held valid.

BILL in equity for an injunction to restrain alleged infringement of letters-patent for improvements in the electro-deposition of nickel, granted Isaac Adams, Jr., Aug. 3, 1869, May 10, 1870, and April 11, 1871. The defences were want of novelty in the patented inventions, and no infringement.

James B. Robb, for complainant.

R. Lund, L. R. Batchelder, for defendant.

SHEPLEY, J. The complainant corporation is the owner, by assignment from the patentee, of letters-patent granted to Isaac Adams, Jr., dated respectively Aug. 3, 1869, May 10, 1870, and April 11, 1871, for discoveries and improvements made by him in the electro-deposition of nickel.

Before the date of the experiments of Dr. Adams, the electro-deposition of nickel was as well known as that of other metals. Chemists and lecturers in scientific schools and experimenters in metallurgy had practically demonstrated that many different solutions could be made to yield a simple deposit of nickel. In experiments made to determine the value of electrolysis as a method of analysis, and to determine the laws of electro-chemistry which govern its reduction, and especially in experimental attempts to utilize it as a plating or coating for other metals, the electro-deposition of nickel had been made out of solutions of several of its salts. The object of those who were experimenting in the attempts to utilize this metal as a coating for other metals for practical uses appears to have been to discover a mode by which this metal could be deposited by the battery, readily, uniformly, and especially *as continuously*, as copper, silver, and gold, were deposited by the processes well known and in common use in the application of electro-metallurgy to the useful arts.

While it was well known that nickel possessed certain qualities which would render it of great value in the arts if it could be deposited thus readily, uniformly, and continuously by the battery, the practical difficulties, which had never been overcome, had prevented it from being used, except to a very limited extent and under very unfavorable conditions, as to the cost and the quality of the work, in the useful arts. One of these difficulties is stated in the edition of 1867 of the "Manual of Electro-Metallurgy," by James Napier, as follows: "The great difficulty experienced is to obtain a positive electrode; the metal is very difficult to fuse, and so brittle, that we have never been able to obtain a plate or a sheet of it. Could this difficulty be overcome, the application of nickel to the coating of other metals would be extensive; and the property of not being liable to tarnish would make it eminently useful for all general purposes."

The evidence in the record, however, shows that the diffi-

culties in the way of the practical electro-deposition of nickel were not confined to the positive electrode, but were also inherent in the character of the solutions of the salts of the metal which were employed. Different solutions of nickel salts, when subjected to the action of a galvanic current, were found to behave in very different ways: some of them depositing a mixture of reguline metal and secondary products; others depositing only an oxide, a sub-salt, or some secondary product, without any metal. Some solutions did not dissolve the anode, while others dissolved it so imperfectly, that, by use, the solution grew gradually weaker in metal. And these difficulties were not only inherent in the character of the solutions themselves, but in other cases were due to the presence of foreign elements, or the temperature or density of the solutions, or to the density of the current employed.

The patentee claims to have discovered the causes of all these difficulties, and a practical process, by which all these difficulties are obviated, so as to fulfil all the required conditions of electroplating with nickel, so that the anode will supply the solution with nickel as fast as it is deposited, maintaining a uniform density in the solution, and so that the solution itself shall yield an amount of metal exactly or substantially equivalent to the amount of battery-power expended, and deposit the metal uniformly and continuously, so that the coating of nickel shall be compact, coherent, and tenacious.

The difficulties attending the practical deposition of the metal, and the nature of his improvements, are well described by the patentee in his several patents. They relate to the method of preparing the solutions, to the method of preparing nickel plates for the anode of the depositing cell, and to the properties and condition and character of the deposit itself.

In the patent of Aug. 3, 1869, the patentee claims: "1. The electro-deposition of nickel by means of a solution of the double sulphate of nickel and ammonia, or a solution of the double chloride of nickel and ammonium, *prepared and used in such a manner as to be free from the presence of potash, soda, alumina, lime, or nitric acid, or from any acid or alkaline reaction.* 2. The use, for the anode of a depositing cell, of nickel combined with iron, to prevent the copper and arsenic, which may be present, from being deposited with the nickel, or from injuring

the solution. 3. The described methods for preparing the solution of the double sulphate of nickel and ammonia, and the double chloride of nickel and ammonium. 4. The electro-plating of metals with a coating of compact, coherent, tenacious, flexible nickel, of sufficient thickness to protect the metal upon which the deposit is made from the action of corrosive agents with which the article may be brought in contact. 5. The deposition of electrotype-plates of nickel, to be removed from the surface on which the deposit is made, and to be used separately therefrom."

In the patent of May 10, 1870, the patentee claims: "1. The combination with nickel to be used for anodes of a metal or metalloid, electro-negative to the nickel in the solution employed. 2. A nickel anode, combined with carbon, and cast in the required form."

The patent of April 11, 1871, claims: "A cast nickel anode as a new article of manufacture."

All these claims are contended by the complainant to have been infringed by the defendant, except the fifth claim in the patent of Aug. 3, 1869.

The defendant, to prove that Adams was not the original and first inventor of the things patented to him, relies in his answer upon the following published works: Schubarth's "Chemistry," published in 1835; Gove's "Theory and Practice of Electro-deposition," published in 1860; "The Chemical News," of Sept. 6, 1862. In an amendment to the answer, he also relies upon Brande's "Manual of Chemistry," published in London in 1848.

The passages referred to in Schubarth contain no allusion to the electro-deposition of nickel.

The processes described on page 60, sect. 118, of Gove's "Theory and Practice of Electro-deposition," are clearly proved, by the uncontradicted testimony of experts, not only to be dissimilar to the processes described in the patent, but to be practically useless for the continuous deposition of nickel. Four different solutions are mentioned: the first, the nitrate of nickel solution, is demonstrated by experiment to be useless; and the three other solutions are proved, by reason of their alkalinity, to be practically useless for the purpose of the useful arts, as not properly dissolving the anode, and affording a uniform deposition or a continuous process.

The process described in the "Chemical News and Journal of Physical Science," No. 144, page 126, is obviously a different process from the process described in the patent. This process does not contemplate the use of an anode to keep the solution in its normal state of density or concentration. It describes two methods of keeping up the density of the solution, and maintaining the uniformity of concentration. These methods of supplying the solution are by means of the oxide of nickel or the salt of nickel, placed at the bottom of the depositing cell. The difficulties attending these modes of supplying the waste in the solution are fully explained in the testimony of the experts in the case. It is sufficient for this case, however, to remark, that the processes are obviously inferior to and different from the process of the patentee, and do not anticipate his invention. Brande's "Manual of Chemistry" does not describe any mode of electro-deposition of nickel. Two methods are described of making the sulphate of nickel, neither of them, according to the proofs, capable of producing a salt free from acidity or impurity. .

These are the only published works referred to by the defendant in his answer, and there is nothing in them to invalidate the complainant's patents for want of novelty. The other published works referred to in the evidence for defendant do not describe any process of depositing the metal from a solution by means of electricity, excepting in the case of Smee's "Elements of Electro-metallurgy," and "The Contributions to Chemistry" by Professor Gibbs, both of which refer rather to processes by which nickel can be electrolyzed out of a solution; but neither of them names a solution, or describes a process, which would meet the requirements and afford the conditions of, a process for practical use in the art of electro-plating other metals with nickel.

The testimony of Professor Sharples, relied upon by the defendant, only proves the use by him of the process and solution described by Professor Gibbs in his paper before referred to, called "Contributions to Chemistry." He testifies that his solution was different from the one described in the patent, and different from the one used by the defendant. The evidence in the record incontestably proves that the art of electro-plating of metals, or the electro-deposition of one metal upon the surface of another, was old and well known. The mere electrolysis of nickel out of a salt of that metal was well known to chemists and

metallurgists. A solution of the double sulphate of nickel and ammonia does not appear to have been unknown to experimenters in making experiments in electrolysis for the purposes of analysis. So the fusibility of nickel at a high temperature was known; and that fusion of nickel may have been, and probably was, conducted accidentally, and without any design, and without any reference to any useful result, under such conditions as might, and perhaps did, leave an admixture of carbon and iron.

But it proves as incontestably that, prior to the discoveries of the patentee, the electro-deposition of nickel by means of such solutions as are described in the complainant's patent, prepared and used in the described manner, so as to be free from foreign substances, and acid or alkaline reactions, which would interfere with the uniform, continuous, and coherent deposition of the metal, was unknown in any practical application of it to the useful art of electro-plating metals with nickel. It is equally clear that the use of such an anode as the patents describe, cast from the commercial nickel in the desired form, and combined with carbon and a metal or metalloid electro-negative to the solution employed, was first successfully and practically made by him. The evidence of Remington shows an experiment with a cast-nickel anode; and we may perhaps reasonably conclude, from the conditions under which that experiment was made, that the product of the casting was a carbide of nickel; but if such was the result, it was one apparently not designed, appreciated, or discovered. The experiments of Remington with a cast-nickel anode appear to have been suggested by the discoveries of the patentee, and to have been unsuccessful and abandoned experiments. However suggestive the experiments of others may have been in electro-deposition of nickel from different solutions, or in the mere casting of nickel, they cannot be made available to defeat a patent granted to one who, after all other experimenters had failed to secure a practical and useful result, beneficial to the community and a valuable contribution to the useful arts, first succeeded so as to be able to disclose to the public a practically useful and successful process, by him first brought to perfection and first made capable of useful application.

The evidence of infringement is found in the defendant's admission that his process was the same as that of the Boston Nickel-Plating Company, which was the process described in the

patents carried on by the company as licensees under the complainant. It is apparent, from the testimony of Professor Sharples, that the solutions used by the defendant; and from the admission of the defendant himself, that the anodes used by him; were substantially the solutions and anodes described in the patent.

As it is clear that the defendant has infringed the patents of Aug. 3, 1869, and May 10, 1870, both of which under the true construction of their claims, the court considers to be good and valid patents; it is not necessary in this case that the court should decide whether the patent of April 11, 1871, is, or is not, defective, although the impression of the court is, that as one process of casting is given by reference to a former patent, the patent itself may be maintained, if the evidence of the previous state of the art should correspond with the statements and claims of the patent. The decree and injunction in this case will therefore have reference to the patents of Aug. 3, 1869, and May 10, 1870.

Decree for account as prayed in the bill; injunction to be made perpetual as to the patents of Aug. 3, 1869, and May 10, 1870.

RHODE ISLAND DISTRICT.

JUNE, 1872.

THE METROPOLITAN WASHING-MACHINE COMPANY v. THE PROVIDENCE TOOL COMPANY.

In a suit for infringement of a reissued patent, the question whether or not the reissue is for the same invention as the original patent, is one of construction for the court upon comparison of the two instruments. Questions as to matters of fact connected with the surrender and reissue are closed by the decision of the commissioner granting the reissue.

In view of the prior state of the art, the reissued patent, No. 2829, dated Dec. 31, 1867, granted Sylvanus Walker, for an improvement in clothes-wringers, originally patented to Isaac A. Sergeant, July 27, 1858, must be construed as a patent for a wringer consisting of a new U-shaped yoke frame, with uprights or their equivalents, in which a wringing mechanism is supported in position on one side of a wash-tub, in combination with an adjustable clamping device for fastening the wringer to the tub.

So construed, the patent is not infringed by the manufacture and sale of a clothes-wringer consisting of an old adjustable clamping device for holding the wringer to one side of a wash-tub, and two upright standards connected at the bottom by a cross-bar ; the standards supporting the journals of the pressure-rollers of an old wringing mechanism.

SHEPLEY, J. This is a bill in equity brought by the complainant, as assignee of Isaac A. Sergeant, for infringement of Division 2, No. 2829, of letters-patent for an improvement in clothes-wringers. Said letters-patent were originally granted to Isaac A. Sergeant July 27, 1858, and were reissued in two divisions, one dated June 18, 1867, and the other being one upon which this bill is brought, dated Dec. 31, 1867.

The machine described in the original patent belongs to that class of clothes-wringers generally known as "twist-wringers," in the use of which clothes are wrung and the water expelled by twisting the clothes into a rope, in the same manner as clothes are wrung by hand.

The original Sergeant machine had a yoke frame of U form, which yoke frame had a pair of jaws and a clamp wedge for securing the frame to the side of a common wash-tub. This portion of the original machine constituted that part of the invention which is embraced in the division of the reissued patent, No. 2829. To the yoke frame a hinged frame was attached, which, when in position, is at right angles with the yoke frame. A cross-bar unites the two sides of the hinged frame. In the centre of the cross-bar is set a "hitching pin," around which the clothes to be wrung are partially wound and held fast by the left hand of the operator, while the right hand turns a rotary clamp which is set in the yoke frame, and which gives the clothes the twist necessary to expel the water. More minute description of this rotary clamp is unnecessary, as it has little if any connection with any questions at issue in this case, the peculiarities of the wringing mechanism not forming any part of the mechanism recited in the claims of the reissued patent No. 2829.

After the death of Isaac A. Sergeant, his administratrix, on account of a defective specification, surrendered the original patent; and on two corrected specifications two new patents were reissued to one Walker, to whom the administratrix and the heirs-at-law had assigned the patent. Walker duly assigned to complainant all his interest in the patent, and in any divisions to reissues thereof.

The claims in the reissued patent, No. 2829, are for: *First*, the employment or use of a portable frame or yoke, B, with uprights, S S', or their equivalents, for supporting a clothes-wringing mechanism in position on one side of a common wash-tub, for the purposes set forth. *Second*, the application of an adjustable clamping device, when employed to attach a clothes-wringer to one side only of a wash-tub, *in the manner described and for the purposes set forth*.

In the reissued patent, Division 2, No. 2829, by a separation of the inventions of the patentee, the yoke frame, in combination with its device for being clamped to one side of a common wash-tub, is claimed as a separate structure, without regard to the structure of the wringing mechanism used with such "supporting and connecting apparatus."

The answer of the defendant alleges in defence, that the reissued letters-patent are fraudulent and void, because they were sought to be procured for the purpose of embracing therein more than was the invention of the said Isaac A. Sergeant; that they were obtained for the purpose of endeavoring to embarrass the defendant and other parties manufacturing wringing-machines, by the assertion of a colorable claim to a subject of invention, which, if construed by the court as broadly as the complainants by their assertions claim that it should be, would prevent the manufacture of any wringing-machine that was detachable from a tub.

If it appears upon the face of the reissued patent that it is not for the same invention as that embraced or secured in the original patent, then it would be the duty of the court, as a matter of law, to declare the reissued patent invalid; for such a state of facts, apparent upon a comparison of the two instruments as construed by the court, would show that the Commissioner of Patents, in granting the reissue, had exceeded his authority, and that there was such a repugnancy between the old and the new patent that it must be held as a matter of legal construction that the new patent is not for the same invention as that embraced and secured in the original patent. Matters of construction arising upon the face of the patent are open questions to be decided by the court; but all matters of fact connected with the surrender and reissue are now held to be closed by the decision of the commissioner in granting the reissued patent. *Seymour v. Osborne*, 11 Wall. 516.

This disposes of the first objection in the answer to the validity of the reissued patent ; for there does not appear to be any ground upon which it could with reason be contended that the invention claimed in the reissued patent was not described or substantially indicated in the original patent ; and the other questions of fact are closed by the decision of the commissioner.

The defendant also sets up in its answer the anticipation and prior knowledge of the alleged invention of the complainant by various parties, patentees and rejected applicants for patents, whose names and the dates of whose applications and inventions appear in the answer and the amendments thereto.

In view of this defence, it becomes necessary to consider the state of the art prior to the date of the alleged invention by Sergeant, and to define the construction and the limitations of the claims in the reissued patent under which complainant claims.

Without going into a detailed description of wringing-machines existing anterior to the date of Sergeant's invention, it will be sufficient for the purposes of this case to observe that wringing-machines were in use in many different forms of more or less practical utility. Clamping devices, also, were old and well-known means of attaching machines of various descriptions to benches, tables, or other articles with which they were used. Reels for thread, vises, eyeletting-machines, fluting-machines, egg-beaters, and small mills, had been attached to benches and tables by clamping devices similar in principle to the one described in the Sergeant patent. A clamping device identical with the one used by defendants, and comprehended in the reissued patent No. 2829, was applied to a wringing-machine before the Sergeant invention.

Letters-patent for a washing-machine issued to H. W. Sabin, Aug. 16, 1845. In his machine a common twist-wringer was supported by a standard furnished with jaws and a clamp screw, the two forming a clamping device such as is in common use on all wringers at the present time ; but the standard was not a U-formed yoke frame, but simply a support for the journal of a shaft, although the standard had jaws and a clamping instrument adapted to secure the standard to the side of a wash-tub. Unless the U form of the yoke frame in the Sergeant mechanism is to be considered as an essential part of the Sergeant invention, as distinguished from the standard in Sabin's machine, which is simply a support for a journal, it is difficult to perceive the novelty of

the Sergeant invention. The experts examined in behalf of the complainant testify, that, in their opinion, "The said (Sabin) standard is simply a support for the journal of a shaft, and is not a yoke frame such as is described in the reissued patent, nor the equivalent of one, by reason of the differences above referred to." But when they compare the yoke frame in the reissued patent with the apparatus for supporting the wringing mechanism in the defendant's machines, which have two upright standards supporting journals for the pressure-rollers, the two upright standards being connected by a cross-bar at the bottom, they testify that not only the two upright standards connected by a cross-bar at the bottom form the yoke described in the patent, as seen from the inside of the tub, but that all the parts are duplicated; and the face of the machine presented to the outside of the tub has also two uprights, and a connection which corresponds to the yoke in the patent. Applying the same reasoning, it is not easy to see why each standard which supports the journals, as viewed from the sides, is not to be considered also as a separate yoke frame with two uprights and a cross-piece, so that it would be as correct to say that the yoke frame of the complainant is quadruplicated, as to say that it was duplicated. This would seem to be the necessary result of making the U-shaped yoke frame include any form of a journal-supporting standard, and it would seem to prove, if correct, that the Sabin patent anticipated the Sergeant invention.

The U form of the yoke frame on the Sergeant machine was necessary as a device for supporting a clothes-wringing mechanism, *in the manner and for the purposes* set forth. The manner of support was the semicircular shape at the bottom of the U-formed yoke frame, which constituted of itself a journal-box; and the peculiar form of that standard, which was new, when combined with any wringing mechanism which was old and well-known, and a wedge, screw, or other well-known and equivalent clamping device, which was old, constituted the only invention which, in the state of the art at the date of the Sergeant invention, could be embraced and protected in that division of the reissued patent. This combination of *such* a yoke frame, with uprights or their equivalents for supporting a wringing mechanism in position on one side of a common wash-tub with an adjustable clamping device, all substantially *in the manner* and for the

purposes set forth in the patent, is all that can be sustained as new in this division of the reissued patent. To attempt to make the claims in this division of the reissued patent sufficiently broad to cover any form of portable standard for supporting a journal of any form of wringer in combination with a wedge, or helical wedge or screw, or other clamping device for securing the frame to the side of a tub, would be fatal to the patent, as it would clearly embrace what was old, both in the separate parts and in the parts in combination. The two upright standards in the defendant's machine connected with a cross-bar may in one sense be said to be the equivalent of the U-shaped yoke frame of Sergeant. But the upright standards each support, independently of the other, their respective journal-boxes, in the same manner substantially that Sabin's standard supported a journal for clothes-wringing mechanism. There is no significance in any similarity, or supposed similarity, to a U-shaped yoke frame constituting a journal-box of itself, and requiring that exact semicircular or substantially semicircular form to form of itself the journal-box. The reissued patent in controversy in this case is, as construed by the court, only for a combination. Upon no other construction could it be sustained. The first claim refers to peculiarities in the construction of the U-shaped yoke frame for the support of the wringing mechanism; the second, to the combination of this peculiarly constructed yoke frame with reference to the purposes of the peculiar form of construction with an adjustable clamping device, when employed to attach a clothes-wringer to one side only of a wash-tub.

The standards or uprights in the defendant's machine can with no more propriety be considered as the equivalents of the U-shaped yoke frame in the complainant's, than can Sabin's standard be considered as a yoke frame, because it supported a journal-box. If the two standards in defendant's machine, with their connecting cross-bar, are to be claimed as the equivalent of complainant's yoke frame, then any frame of any kind supporting any wringing mechanism must be considered an equivalent; for there cannot be any form of frame constructed supporting a journal which could not be dissected into a yoke frame, or a U-shaped yoke frame, by an elimination of parts not indispensable. The defendant does not use a U-shaped yoke frame with any such peculiarity of form in the construction of the frame for the same

purpose, or to be used in the same manner in which it is used in the complainant's combination. If the defendant's frame and standards, either separately or in combination, are the equivalent of complainant's yoke frame, then complainant's yoke frame, when combined with a clamping device and a wringing mechanism, is the equivalent of Sabin's journal-supporting standard in similar combination.

As the defendant, in the view taken by the court of Sergeant's invention, does not use all the elements of his combination, when Sergeant is confined within the exact limits of his invention and is allowed the full benefit of his invention so far as it was novel, it is not liable as an infringer.

Bill dismissed, with costs.

Thomas A. Jenckes, James H. Parsons, for complainant.

B. F. Thurston, for defendant.

JUNE, 1872.

THE PLASTIC SLATE-ROOFING JOINT-STOCK COMPANY *et al.* *v. JOHN A. MOORE.*

The reissued patent granted to William L. Potter, July 16, 1867, for an "improved composition for roofing and other purposes," as limited by disclaimer of May 10, 1871, held valid for the use for roofing purposes of pulverized argillaceous rock mixed with coal-tar to the consistency of plasterer's mortar.

An invention consisting in the use for a roofing, of a mixture of pulverized argillaceous rock and coal-tar, of the consistency of plasterer's mortar, hardening on exposure into a solid slate roof, is not anticipated by prior use of thin mixtures of pulverized slaty material and oil or coal-tar, as paints for the sides and roofs of buildings.

SHEPLEY, J. This is a bill in equity, brought by the complainants, the Plastic Slate-Roofing Company as owner, and Edson A. Sammis, its licensee for the State of Rhode Island, of the rights under the reissued letters-patent, issued on the sixteenth day of July, 1867, to William L. Potter, and assigned to the complainants, for "an improved composition for roofing and other purposes," against the defendant, John A. Moore.

Pendente lite the complainants filed a disclaimer in the office of the Commissioner of Patents, whereby they disclaim all combi-

nations of matters, and the uses thereof, mentioned in the reissued Potter patent, *save only the combination or mixture of pulverized slate or argillaceous rock with coal-tar, otherwise known as gas-tar, for roofing purposes.* Complainants' title is proved, and is not in question.

Defendant's answer alleges knowledge and use of the composition claimed as the invention of Potter prior to the date of his letters-patent, by many different persons named in the answer; and especially alleges that the invention claimed as Potter's was substantially described in letters-patent granted by the United States to Abraham Straub on the seventeenth day of November, 1863. The answer also denies infringement, and admits that the defendant is, and has been, engaged "in the business of grinding up stone to mix with other materials for roofing and other purposes;" and alleges that such composition is made by him in accordance with instructions contained in letters-patent granted to John A. Moore, the defendant, on the twenty-first day of July, 1868, "for improved roofing cement."

As the reissued patent describes the object of the invention to furnish "an improved composition *for roofing* and similar uses (all other uses being covered by the disclaimer), which shall be of such a nature that when exposed to solar or artificial heat it will harden into a solid body of slate," and consists in the use of slate or argillaceous rock mixed with coal-tar or gas-tar for roofing purposes, it becomes necessary to define the meaning of the terms "slate or argillaceous rock" as used in the patent, and stated in the patent to be also called "schist and shale."

The words "slate," "slate-rock," "schist," and "shale," have both a technical and also a more general and a popular meaning. Technically they refer exclusively to the structural formation of the rock, without any reference to its chemical constituents. In the popular and general sense they refer to rocks containing clay, argillaceous rocks, of whatever structural formation, — the argillaceous quality being the characteristic, without regard to structural formation. "Slate-rock" is a term universally used by geologists and practical quarrymen to indicate an argillaceous rock, or a rock in which alumina or the silicate (clay) is a characteristic constituent. Argillaceous rocks are well known generally by the name "slate-rocks," as rocks containing a large amount of argillaceous matter are mostly found laminated. These words are

undoubtedly used in the patent in their general sense, as indicating argillaceous rock of any textural formation. The patentee states in the specification that he takes "what is generally known as slate or argillaceous rock, also called schist and shale;" that "it is not necessary that it should be slaty in its structure, as that which breaks in cubes, or fractures irregularly, will answer the purpose equally as well, provided it is argillaceous." He also says, "It is necessary that the rock should possess this peculiarity, in order to produce the desired result." This language of the patentee clearly shows that the rocky material of the compound covered by the patent is simply pulverized argillaceous rock, whether found in slates, shales, or other form.

The main ground of defence relied upon by the defendant, upon the question of novelty of invention, is in the allegation that the invention of Potter was substantially described in letters-patent issued by the United States to Abraham Straub on the seventeenth day of November, 1863.

Professor Hedrick, who was the chief examiner in the Patent Office, who examined and allowed both the Potter and the Straub patents, states clearly the distinction between the two inventions. He says the thing that was new with Straub, was to combine a species of *limestone*, known as shell or shale rock, in powder with *coal-tar asphaltum*, sometimes known as artificial asphaltum, which is produced by boiling down coal-tar until it becomes hard and brittle, resembling natural asphaltum. The combination was effected *by heat*; and the compound had to be spread or formed into shape while hot, as it was not plastic when cold. It became hard by cooling. The basis of Potter's invention, he says, is pulverized slate or slate-rock, ordinarily known as clay-slate, and by mineralogists as argillite. Chemically, it is a silicate of alumina; geologically, it belongs to the older formations. This material is ground to a fine powder, and used in combination with coal-tar, oil, or other cementitious material, to form a plastic compound to be used in forming roofs. It may, in a cold state, be applied to the material to be covered, and *hardens by exposure to air and heat*.

Without recapitulating in detail the evidence of Professor Antisell, and of Marcellus Bailey, which clearly elucidates the distinction between the two patents, it is sufficient to state briefly that the material points of difference between them are these: The

Straub patent calls for the use of limestone; calcareous matter, and impliedly excludes argillaceous matter and silex; Potter's patent calls for argillaceous matter, and includes silex. Straub boils coal-tar until he makes artificial asphaltum of it, and stirs into this boiling mass his pulverized limestone, until the desired hardness is obtained *by means of heat*; Potter mixes his pulverized argillaceous matter with unboiled coal-tar, *without any aid of heat*. The resultant compounds are different, and the modes of application are not the same. Straub's mixture is applied while the compound is hot; it hardens by mere loss of heat, becoming soft again whenever sufficient heat is absorbed, and hardening again upon its escape. Potter's mixture is applied cold, and it hardens by exposure either to solar or artificial heat.

A general expression used by Straub in his patent, that "any fine-grained rock having a slaty structure may be used," is relied upon by the defendant as showing that he intended to include argillaceous rock; but we think that this expression, taken in connection with the fact as testified to by Professor Hedrick, that Straub's application originally contained the claim for the use of clay also, and was only allowed after he had disclaimed its use, was intended by him rather to show that the calcareous rock which he uses has undergone a change toward a hard and rocky state. But even if clay or argillaceous rock like that described in the Potter patent had been used by Straub, the granting of his patent for a boiled cement would not have anticipated the Potter patent.

Several witnesses examined on behalf of the defendant have testified to the use, anterior to the date of Potter's invention, of mineral paints. Some of these paints appear to have been made from a mixture of a pulverized slate-rock, or rock of a slaty or shaly structure, with oil or viscous materials, and sometimes with coal-tar. The answer to this evidence is found in the fact, apparent upon a careful examination of the testimony, that all such uses were uses of the compound simply *as a paint*, whether applied to the sides or roofs of buildings. The mixture in all such cases was made *thin*, and, when applied to the roof, was mixed in the manner described by Boutwell, the most important witness for the defence, who says, he mixed it "about as stiff as we mix paint, and put it on with a brush; and as it got old and leaked I repainted it a good many times in the same way." This is a dif-

ferent compound, and differently applied, from Potter's, which, being mixed to the consistency of plasterer's mortar, forms of itself a permanent roof of stone, hardening by exposure to the elements into a solid body of slate.

On the whole evidence in the cause, in the opinion of the court, since the filing of the disclaimer limiting the claim, as previously stated, the patent may be sustained for the use of argillaceous rock pulverized and mixed with coal-tar to the consistency of plasterer's mortar for roofing purposes. Disregarding the evidence in relation to abandoned experiments and trials which did not result in practical or useful operation, and did not put the public in practical and useful possession of the compound, and throwing aside, as inapplicable to the present posture of the case, the evidence in relation to the use of a compound in some respects similar to Potter's for a *paint* only, we think Potter is fairly to be considered as entitled to claim to be the first and original inventor of the improved composition for roofing purposes, as described in his claim, as now limited by the disclaimer.

Little need be said on the question of infringement, after what has been already stated, as to the construction of the claim in the Potter patent. The rock which defendant pulverizes and uses, is proved incontestably by the testimony of Professors Stone and Appleton to be an argillaceous rock. This he mixes with coal tar to the consistency of plasterer's mortar, and applies the mixture to form a permanent roof. His composition for roofing purposes was not merely similar to Potter's, but was correctly described by himself, in his statement to Charles H. Perkins, as "the same thing."

Decree for injunction and account, without costs.

James H. Parsons, James A. Hudson, for complainants.

B. F. Thurston, for defendant.

MASSACHUSETTS DISTRICT.

OCTOBER, 1872.

WILLIAM SMITH v. NATHAN NICHOLS.

The fact that an article is better and more useful in the trade than those previously in use is evidence of novelty ; but if the superiority is attained by the application of known means, in a known way, to produce a known result, though a better one, the novelty required by the patent law is wanting.

Woven elastic fabrics of various degrees of elasticity being old ; and the way to increase or diminish the elasticity, by increasing or diminishing the relative proportion of elastic strands to the other threads, being known ; a fabric differing from those previously used only in being more tightly woven, and more elastic by reason of having a greater proportion of elastic strands, is not patentable as a new article of manufacture.

BILL in equity for an injunction to restrain alleged infringement of reissued letters-patent for an improved elastic fabric granted the complainant June 30, 1868 ; and for an account. The original patent was granted the complainant April 5, 1853. After extension, it was reissued in three divisions, upon one of which (Division B, dated as above) this suit was founded.

T. A. Jenckes, for complainant.

B. R. Curtis, Benjamin Dean, for defendant.

LOWELL, J. The complainant took out a patent in 1853, in which the claim was for a process of weaving by the combination of central stationary warps with movable warps, and with weft threads passed simultaneously through the two sheds by means of two shuttles. The specification described a loom, and the mode of using it, and declared that the process was specially useful where the stationary warps were elastic. Whether the patent was for a loom or a process is not important in this case. The evidence tends to show that a fabric was produced by the complainant which was highly elastic and remarkably well adapted to gores for boots and shoes, and that it has taken the place of all other cloths for this purpose. It is further shown that a cloth of like quality in most respects may be made on

looms which have not the distinguishing features of the plaintiff's loom.

The complainant, however, maintains that he not only improved the process of weaving a known fabric, but invented a new fabric; and his patent, after having been extended in 1867, was re-issued in 1868, in three parts,—one for the loom, one for the fabric, and one for the process. The bill is founded on an alleged infringement of the second of these parts,—Division B, Reissue No. 3014, dated June 30, 1868, for the fabric; and it is alleged that the defendant makes and sells this fabric. It is not contended that he uses the loom or the process, and it is not denied that he does sell the fabric.

The specification of Division B describes the loom substantially as in the original patent, and the fabric much more minutely as a corded fabric, in which the central cords or cord warps are griped firmly between two weft threads, each passing half way round the cord, one above and the other below, and the cords are separated from each other by the interweaving of warp threads and weft threads in strips of cloth between the cords only, and not over and under the cords, so that the cords are covered by weft threads only. The claim is for the corded fabric, substantially as described, in which the cords are elastic, and are held between the upper and under weft threads, and are separated from each other by the interweaving of the upper and under weft threads with the warp threads in the spaces between the cords, and only there, substantially as above shown.

The bill was filed Nov. 19, 1868. In January, 1870, the patentee filed a disclaimer of any fabric in which the warp and weft threads are so interwoven between the elastic cords as to form strips of shirred cloth between and by the contraction of the elastic cords, declaring that in his fabric the warp threads are interwoven with the weft threads only for the purpose of binding the latter tightly about the elastic cords. In May, 1872, the complainant filed a second disclaimer of any fabric in which the weft threads are so interwoven with the warp threads which lie between the elastic cords that the former are not brought half way round each of said cords so as to gripe them in such a way as not to permit said elastic cords to slip through between said weft threads in case said cords are cut crosswise or bias.

The defendants maintain that the reissue is for a different in-

vention from that originally described, and so is void ; and that the fabric is not new.

The evidence certainly tends to show, that, until about the time of the reissue, the patentee said to several persons, at different times, that his patent was for the union web, which is faced on both sides, or for the mode of making it ; and this is confirmed by the language of his first patent, in which he says that the object of his invention is to furnish means for weaving fabrics formed by a centre warp which is enclosed by a fabric formed on each side of it by filling from two shuttles, one passing above and the other below the centre warp. But if we assume that after making his loom he discovered that the cloth made by it was really a new article, we are not prepared to say that he might not by a reissue enlarge his claim to cover the new article. On this point we give no opinion.

Upon the question of novelty the evidence is that an elastic fabric had been well known for many years before the date of the patent, in which strands or cords of india-rubber were used to give elasticity, and cotton was woven between these strands in such a way that the latter were covered by weft threads only. This article was used in making suspenders, and kept the market for a long time. In 1844 Mr. Hotchkiss, a manufacturer of suspenders, in making application for a patent, described as his invention a fabric made with cords of india rubber from one-eighth to one-half an inch apart, connected with a filling of cotton, and he distinguished this cloth from others before known by the cords being larger and farther apart in his fabric. The description does not show that the cords were covered by weft threads only ; but Hotchkiss swears that the fact was so, and a sample of the cloth is produced from the Patent Office which confirms it ; and, if further confirmation is needed, it is found in the testimony of other witnesses concerning the suspender-webbing generally, and the plaintiff's first disclaimer, which was filed soon after these things were put in proof, is of itself enough for the purposes of this case. This application of Hotchkiss was very properly rejected by the Patent Office, because increasing the size and distance apart of the india-rubber cords was not considered to be invention in the sense of the law.

This evidence, and that of other witnesses, establishes that cloth for suspenders was made with cords of india-rubber, cov-

ered with weft threads only, the cords being of variable sizes, and placed at variable distances apart, according to the degree of elasticity and other properties that were desired.

Taking this evidence and the plaintiff's disclaimers into consideration, he appears now to claim that his fabric differs from others, known before, by being more tightly woven; so that it can be cut crosswise without danger of the cords slipping back or withdrawing; and by having the cords so near together that they form a greater part of the bulk of the cloth. Now it does not appear to us that these differences make up a patentable improvement. The fact that an article is better and more useful in the trade is evidence of novelty; but if the superiority is attained by the application of known means, in a known way, and to produce a known result, though a better one, the novelty required by the patent law is wanting. Looking to the evidence, we find a large number of witnesses called to prove that the old webbing used for suspenders would not be suitable for shoe-goring; but when we analyze their testimony, we find, besides mere difference of color and style of finish, that the real objection is the want of sufficient elasticity. Many of the dealers give this as the only defect, and most of the others say that it is wrong in color, width, and elasticity. It is plain that color and width are merely questions of contention, and we think if not less so that the greater elasticity of the complainant's fabric will not support his claim. The old fabrics were of various degrees of elasticity, and the way to increase or diminish the elasticity was perfectly well known; namely, by increasing or diminishing the proportion of the elastic cords. Any manufacturer could have produced an article with greater or less elasticity, as the needs of the trade might require, up to the maximum which was possible to be attained with native india-rubber, the article then in use for the elastic strands. Beyond that maximum it is now easy to go by using vulcanized india-rubber; but this article was discovered and its uses were made known by Goodyear several years before the date of the plaintiff's first patent, and had become a well-known substitute for the native india-rubber in many combinations, so that if the plaintiff had described or claimed the use of the vulcanized gum for his elastic cords, which he does not, it is not probable that he could have supported a claim to invention by that substitution.

The other ground on which the second disclaimer distinguishes the old from the new article is, that in the latter the cords are so firmly grasped by the weft threads, each of which passes half way round them, that the cords can be cut crosswise without injury to the fabric by the withdrawing of the cords. I have read the depositions of all the witnesses who speak of the unsuitableness of the old webbing to the use of the shoe trade, and have found only one of them, William A. Brown, who is asked a question on this point; and he is of opinion that the old fabric would not be imperfect in this particular. "*Int.* 5. If those goods were sufficiently elastic, but made after the construction of these exhibits, where they were to be cut bias, as for gores to Congress boots, would they not be of too loose a texture to hold the stitching when inserted in a boot?" "*Ans.* If things were different to what they are, it would be very difficult to tell what they would be. To that question I would answer, no." The fair result of the whole evidence is very strongly to prove that the old webbing was wanting only in elasticity, and that the amount of that quality was variable, and could be increased or diminished by the manufacturer. But granting that the old cloth was not so tightly woven that it could be cut crosswise without injury (which we do not think the evidence warrants us in granting), that result, too, would seem to be within the knowledge of the manufacturer. Corded elastic fabrics were made in which the same mode of weaving was employed as in the plaintiff's, and making a closer texture by the old means, — that is, by drawing the weft threads tighter round the cords, — must surely be a matter of construction only. Especially is this seen to be true when we remember that the cords were of various sizes, since the firmness with which they would be gripped by the weft threads would depend much on the relative size of the cords and weft threads.

For my own part, when it is admitted by the first disclaimer that elastic corded fabrics like the complainant's, excepting that they had strips of shirred cloth between the cords, were known before his invention, I should wish to be instructed in what is understood by a strip of cloth, — how much interlocking or interweaving is necessary to remove it from mere binding, and bring it up to a strip. On inspection, I would say that the complainant's fabric has strips of cloth between the cords, as he describes

it in his specification ; but if not, then it remains to inquire what essential difference there is between fabrics with strips of various sizes, according to the degree of elasticity required, and one which, being woven in a similar way, can be properly said to have something less than a strip between each pair of cords. The evidence is silent on this point. It only goes to show, as we have said, that the closer the cords the greater the elasticity ; but that was known before : it does not show that any difference in kind exists at the point where strips end and interlocking begins. The whole argument on this point seems to depend on a supposed distinction between interlocking and interweaving, which is not pointed out in the patent, and is not proved to exist. If it be intended to disclaim only strips of shirred cloth, as distinguished from strips of plain cloth, the like difficulty occurs in distinguishing, without evidence, that the shir or pucker of the strips is of any essential importance in the construction of the fabric.

Upon the whole, we feel constrained to agree with the opinion of the learned Circuit judge of the Second Circuit, that the old webbing was a fabric of like kind with the complainant's, and that the improvement, important though it is, must be held to be due to the skill and sagacity with which the mode of operation by which that webbing was made has been adapted and applied by the complainant, by the use of better materials and a more careful weaving ; but not by the invention requisite to enable him to claim the product as a fabric before unknown.

We have not examined any of the questions of fact or law which exclusively concern the other divisions of the reissued patent.

Bill dismissed.

OCTOBER, 1872.

AMERICAN SADDLE COMPANY v. CHARLES B. HOGG.

The court will not so far take notice of an alleged parol agreement of counsel made out of court, as to undertake, where there is a conflict of opinion between the respective counsel as to the terms of the agreement, or a difference of recollection as to its existence or meaning, to decide the question of accuracy of recollection or construction.

A waiver of an objection entered on the record of a suit in equity, should also be entered on the record.

PETITION by the defendant for rehearing of a cause in equity between the same parties, previously decided in favor of the complainant. The grounds on which the petition was based are stated in the opinion.

P. H. Hutchinson, for complainant.

S. E. Ireson, J. H. Bradley, for defendant.

SHEPLEY, J. The grounds of the petition for rehearing are; that the court decided that a certain patent, which had been granted to one William Leonard for certain improvements in horse-collars (although introduced in evidence and properly in the case for the purpose of showing to the court the state of the art), could not be used by the defendant to show that the patentee was not the first and original inventor of any material and substantial part of the thing patented; the defendant having given no notice of such a defence in his answer, or stated therein the name of Leonard as patentee, or the date of his patent, and when granted, or the names or residences of any persons alleged to have had prior knowledge of the thing patented, or where or by whom it was used.

The defendant alleges further, that he gave the complainant a notice in writing, more than thirty days before the hearing, that he should offer the Leonard patent in evidence; and that also, during the time of taking testimony before the examiner, he produced and offered the Leonard patent in evidence; and that when objection was made to its admissibility on the ground that no such defence was set up in the answer, and no notice had been given, the counsel for defendant claimed that complainant had previously agreed "to waive all objections to the admission of said Leonard patent in evidence for want of notice of the same;" and stated that, unless complainant's counsel adhered to his former agreement, he should ask to suspend the further taking of testimony in the cause until he had moved the court for leave to amend the answer filed in the cause, by pleading the Leonard patent therein; that thereupon complainant's counsel renewed his agreement not to object to the admission of said Leonard patent for want of notice of the same; and that, upon the said agreement being so made and renewed, the taking of said testimony was continued.

At the hearing of the cause the objection was insisted upon; and it appeared by the report of the examiner to have been duly

taken and insisted upon when the testimony was produced before the examiner; nor was any record made of any waiver of the same, or agreement to waive the objection, at the hearing. When the objection was insisted on at the hearing, defendant's counsel insisted on the admissibility of the evidence, but did not then claim or state to the court that any agreement existed to waive the objection, nor claim that he was surprised by the objection being taken. Counsel claims to have forgotten at the hearing the fact that a written notice had been given, but does not claim to have forgotten the verbal agreement which he now contends was made at the time testimony was produced before the examiner.

By reference to the letter of defendant's counsel of Jan. 27, 1871, it will be seen that no notice is therein given of any intention to introduce the Leonard patent in evidence as proof of prior invention; and, in fact, the letter does not in any respect comply with the provisions of the statute in relation to notice of prior knowledge or use, or with the practice at that time in courts of equity, requiring like notice in equity proceedings.

The defendant's case for a rehearing must therefore depend entirely upon his claim that there was a verbal agreement between the counsel that complainant's counsel would waive his objection to the use of the patent in evidence, based upon the want of any allegation in the answer or other notice of such a defence.

The record in the cause shows that the objection was not waived, but insisted upon, when the evidence was offered before the examiner.

Counsel for defendant offers affidavits tending to show that such an agreement was made; complainant's counsel introduces his own affidavit that he never made any agreement to waive the objection, and never intended to waive it, and never did waive it.

The court will not so far take notice of parol agreements of counsel, made or alleged to be made out of court, as to undertake, when there is a conflict of opinion between the respective counsel as to the terms of the agreement, or a difference of recollection as to its existence or meaning, to decide the question of comparative accuracy of recollection or construction, and determine, first, whether such a parol agreement existed; and, secondly, what were its terms; and, thirdly, whether the court would enforce it against the objections of counsel or parties.

Especially in a case like the present, where, if such an agreement to waive the objection was made at the hearing before the examiner, it was in the power of the parties, and it was their duty, to have the waiver entered upon the same record on which the objection appeared. But with the full knowledge that the record showed the objection would be insisted upon, counsel proceeded to put on record the testimony objected to, without any record of any waiver of, or agreement to waive, the objection. The objection was insisted on at the hearing of the cause, and no application was made then for delay, or any intimation given to the court that counsel were surprised that an objection was insisted upon, which the printed record, which had long been in the hands of counsel, notified the counsel would be raised at the hearing. Under such circumstances, it is too late for an infringer to ask to have the case reopened to allow him to interpose a defence which he did not set up in his answer, and to give the requisite notices.

A patentee is entitled to the presumptions arising from the grant of his patent; and in general, where infringers rely upon a defence which attacks the validity of the patent itself, they should be apprised of that defence themselves, and give the patentee notice of it before the hearing of the cause.

Motion for rehearing denied.

RHODE ISLAND DISTRICT.

NOVEMBER, 1872.

CITY BANK OF RACINE v. ROWSE BABCOCK.

Where the giving of a certain notice is made the condition precedent of the execution of a power of sale, and performance of the condition has been rendered impossible by the act of the party for whose benefit it was made, the power may be executed without the giving of the notice.

Certain bonds were pledged by a bank as security for the performance of an agreement between the bank and the pledgee, and the pledgee was empowered to sell

the bonds in case of breach of the agreement by the bank, on thirty days' notice to it of the intended sale, and credit the proceeds on a debt due from the bank. The bank afterwards failed, closed its place of business, and thereafter transacted no business, and had no office nor acting officers; and did not perform the agreement. About three years afterwards, the pledgee sold the bonds in good faith at their market value, without notice to the bank. *Held*, that the giving of the notice had been rendered impossible by the act of the bank, and that neither the pledgee nor its agent in the sale was liable for a conversion of the bonds.

SHEPLEY, J. This is an action of trover, commenced by the plaintiff corporation, as trustee of Alfred W. Davison, for the alleged conversion of thirty-five bonds, each for the sum of one thousand dollars, with the interest coupons unpaid thereon, issued by the Racine and Mississippi Railroad Company; and for five bonds of the town of Rockton, in the State of Illinois, of one thousand dollars each; and a certain real-estate mortgage, specially described in the declaration. The conversion is alleged to have taken place on the thirty-first day of October, 1862. Defendant pleads *nul tiel* corporation, and also the general issue; and issue is joined upon both pleas.

The bonds of the town of Rockton, and the real-estate mortgage which was sold under a decree of court, need not be considered in this case, the conversion relied upon by the plaintiff being of the thirty-five bonds of the Racine and Mississippi Railroad Company.

It appears from the evidence that these bonds were pledged by the City Bank of Racine to the Phenix Bank of Westerly, R. I., to secure the performance of a certain contract between the parties, and the payment of a note given by the City Bank to the Phenix Bank, for the sum of twenty thousand dollars, dated Oct. 1, 1856.

This contract was subsequently modified by a supplemental agreement, dated the third day of October, 1859, extending the payment of the principal sum to the third day of June, 1861, with interest to be paid semi-annually on the first days of October and April in each year. By the terms of the agreement, upon the failure of the City Bank of Racine to perform the conditions of the contract, or to pay the note or interest at maturity, the Phenix Bank had the right, upon giving thirty days' notice to the City Bank, to sell the securities at the Merchants' Exchange in the city of New York, or elsewhere, and credit the proceeds thereof, after the payment of all expenses thereon, to the indebtedness of the City Bank of Racine.

The City Bank of Racine failed, and closed its doors in the fall of 1859. Previous to its failure it had its office and place of business in the city of Racine. After its failure it had no office or place of business, and since that time has not transacted any business as a bank in any public manner.

On the 1st of October, 1859, a draft given to the Phenix Bank for the semi-annual interest due on that day was duly protested, and since that time no payment has been made of principal or interest by the bank.

On the 31st of October, 1862, the defendant, as president and agent of the Phenix Bank, sold the bonds of the Racine and Mississippi Railroad in the city of New York to Richard Irvin & Co., for the sum of \$13,948.34, being twenty-five per cent of the amount due on the bonds and interest coupons to that date.

No notice was given to the City Bank of the time and place of sale. The sale in other respects appears from the evidence in the case to have been made in good faith. The bonds were sold for their full market value at the date of sale. The purchasers of the bonds, representing a large amount of the other outstanding bonds of the road, purchased the balance, and subsequently, by the expenditure of large amounts of their own funds, extended and completed the unfinished and unproductive and insolvent railway which was mortgaged to secure the bonds, and thereby made that available as a security which had comparatively little value before, and thus greatly advanced the value of the bonds. But the evidence entirely fails to show that there was any collusion or unfairness or want of good faith at the time of sale, or that there was any sacrifice of the securities at a rate below their then market value.

The proceeds of the sale were duly credited on the indebtedness of the City Bank of Racine. After applying the proceeds of this sale, and of a subsequent sale made under a decree of court of the other securities, there still remained a large balance due to the Phenix Bank.

No tender has ever been made of payment of the debt, nor any action taken of any kind until after the lapse of many years, and after the additional value had been given to the bonds by the expenditures made by the purchasers.

The claim of the City Bank of Racine was subsequently transferred to Davison. The present action is brought in the name

of the bank, for his benefit, against the president of the Phenix Bank. Plaintiff claims that by effecting the transfer and sale of the bonds as agent of the Phenix Bank, without notice to the City Bank of Racine, the defendant was liable for a conversion of the bonds, and for the highest price at which the bonds could have been sold prior to the commencement of the action, and that he is not entitled to offset the claim of the Phenix Bank against the City Bank of Racine.

On the plea of *nul tiel* corporation, the defendant contends that by the provisions of the statutes of Wisconsin, in force at the time of the failure of the plaintiff corporation, that corporation, by continuing insolvent for one year after its failure, and by suspending for three years thereafter its ordinary and lawful business as a banking corporation under the laws of Wisconsin, had thereby surrendered its rights and privileges as a corporation before the commencement of this action, and was and is incapable of prosecuting this suit. The provisions relied upon in the statutes of Wisconsin are not now in force, and during their existence do not appear to have ever received any judicial construction by the Supreme Court of the State of Wisconsin. In the view taken by the court, it becomes unnecessary to decide this question. In the opinion of the court, the defendant cannot be held to have converted the bonds by reason merely of the omission to give notice of the time and place of sale, under the state of facts proved in this case.

The Phenix Bank held the bonds in pledge, with a power to sell in case of failure to perform the contract. There was coupled with the power of sale a condition for the benefit of the pledgor, that the pledgee should give thirty days' notice before the sale. The performance of this condition became impossible by the act of the party for whose benefit it was made. For years before the sale (if the bank had any corporate existence, which is at least doubtful), it certainly had no place where, or acting officers upon whom, notice could have been served.

“It is a rule common to all conditions of obligations, that they be taken to be accomplished when the debtor who is obliged under such condition has prevented its accomplishment. *Quicumque sub conditione obligatus curaverit ne conditio existeret, nihilominus obligatur.*” 1 Evans's Pothier, 212; 2 Ibid. 38; *Hotham v. East India Co.*, 1 T. R. 638.

Mr. Justice Washington, in the case of *Williams v. The Bank of the United States*, 2 Pet. 102, states the rule thus: "If a party to a contract, who is entitled to the benefit of a condition upon the performance of which his responsibility is to arise, dispense with, or by any act of his own prevent, the performance, the opposite party is excused from proving a strict compliance with the condition."

The rule is one of general application. Wherever a precedent act is to be performed at a particular time or place, if the precedent act be a notice, and the party to whom the notice should be given has, by his absence, prevented it, if he be absent from the State, and has no known agent to receive it, and has no place of residence or business which reasonable diligence could discover, the law dispenses with the necessity of giving regular notice, and will not permit him to set up the non-performance of the condition as a bar to the liability imposed upon him by the contract.

The question whether the agent who acted merely as agent between the bank and the purchasers in effecting the transfers, and had no possession except as agent without any claim of title, should be held liable for a conversion, is one upon which there was great difference of opinion in the minds of the learned judges in the case of *Fowler v. Hollins*, L. R. 7 Q. B. 616; but we are not called upon to decide that question in this case, for we are clearly of opinion that the sale of the bonds upon the facts of this case did not constitute a conversion for which the Phenix Bank would have been liable, if the action had been brought directly against the bank.

Judgment for defendant.

C. Hart, for plaintiff.

B. R. Curtis, S. Curry, for defendant.

MAINE DISTRICT.

NOVEMBER, 1872.

JAMES R. OSGOOD *et al.* v. EDWARD C. ALLEN.

The title of a copyrighted publication, separate from the publication which it is used to designate, is not within the protection of the copyright.

The office of a trade-mark is to point distinctively to the origin or ownership of the article to which it is affixed.

Where a trade-mark right is invaded, the essence of the wrong consists in the sale of the goods of one manufacturer or vender as those of another. It is only when this false representation is directly or indirectly made that relief is granted in equity. 5611469

Where, in a suit in equity to restrain alleged infringement of a trade-mark right in the title of a publication, it did not appear whether or not the public was actually deceived, or in danger of being deceived, into buying the defendant's publication as that of the complainant, the cause was referred to a master, to ascertain and report whether such was the fact.

BILL in equity for an injunction to restrain the defendant from the use of the words "Our Young Folks," as the title of a publication. The case was heard on an agreed statement of facts, the material parts of which were substantially as follows: The complainants, at the time of the acts of the defendant complained of, were, and for several years had been, the proprietors and publishers of a monthly magazine for the young, published at Boston, Mass., under the title "Our Young Folks;" each issue of which was duly copyrighted, and which had acquired a large circulation and a valuable reputation. The defendant advertised and published at Augusta, Me., a fortnightly paper under the title "Our Young Folks' Illustrated Paper," each issue of which was duly copyrighted. Before the publication of his paper, the defendant was notified by the complainants that they claimed the exclusive right to the title "Our Young Folks," and requested to withdraw the announcement of his publication, and refrain from the use of those words in its title; which the defendant declined to do, and published and sold large numbers of his paper. The

two publications were in no respect similar, except in the use of the words "Our Young Folks" in the title of each.

R. M. Morse, Jr., Richard Stone, Jr., for complainants.

I. The title of a book which is descriptive of its individuality, and indicates its character to the public, is within the protection of the copyright in the book. Curtis on Copyright, pp. 293-298.

The use of a title previously appropriated, and still used by another, is an injury to the person first adopting the title, and an injury for which there is no adequate remedy, except under the law of copyright. The principles of law applicable to trade-marks and the good-will of trades do not in all cases afford effectual protection to the title of a work. In order to obtain the aid of a court of equity upon those principles, it is necessary for a party to prove that he has derived profits from his publication. Curtis on Copyright, 294. But in the case of a newly published work, no profits can be proved. And in the case of a work not yet given to the world, no amount of expenditure incurred upon it will give an exclusive right to the title. Turner, C. J., in *Maxwell v. Hogg*, L. R. 2 Ch. App. 307.

Under the act of 1831 (4 Stats. 436), which is substantially the same as the act of 1870 (16 Stats. 198), it has been settled that periodicals are protected as books; that copyright includes the whole book, and every part of it; that quantity is, of itself, no test by which to determine whether a quotation amounts to a piracy; and the question in such cases is, whether the quotation tends to, or does in fact, injure the book from which the extract is taken. Curtis on Copyright, 109, 238, 243, 244; *Folsom v. Marsh*, 2 Story, 100, 115; *Story's Ex'rs v. Holcombe*, 4 McLean, 309.

The title of a book is a part of, or a necessary appendage to, the book, and, in the case of a periodical, is the most valuable part of it. In *Bradbury v. Dickens*, 27 Beav. 60, which was a case relating to the property in "Household Words," Sir John Romilly, Master of the Rolls, declared that "the property in a literary periodical like this is confined purely to the mere title;" and the right to publish any periodical or other work under the title "Household Words" was sold by auction under a decree of the court, for £3,550. According to the decision in *Jollie v. Jaques*, 1 Blatch. 620, if the body of the book is not protected by the copyright, the title is not. It is equally true, that if the title

is not protected by copyright, the body of the work will not receive the protection which the copyright acts seem to have intended.

If the protection of copyright does not extend to the title, why should the time of copyright date from the time of recording the title? The author or proprietor can derive no benefit from the statute before publication which he did not possess before. Up to that time the common law furnishes him an ample remedy against piracy. *Bartlett v. Crittenden*, 4 McLean, 301; *Wheaton v. Peters*, 8 Pet. 657.

It was held in *Roberts v. Myers*, 23 Monthly Law Rep. 398, that, after the title-page has been deposited, the author can maintain an action for infringement of his copyright, though the work may not have been published.

In *Maxwell v. Hogg*, L. R. 2 Ch. App. 307, and *Corresp. Newsp. Co. v. Saunders*, 12 L. T. 540, it was held that the statute did not protect the title before publication, because by the English statute the time of copyright dates from the time of publication. Upon the same principle, it should be held that the acts of 1831 and 1870 protect the title, because the time of copyright under them dates from the time of recording the title.

II. The complainants have a right to the exclusive use of the name "Our Young Folks," as indicating a periodical, under the law of trade-marks. *Hogg v. Maxwell*, L. R. 2 Ch. App. 307; *Kelley v. Hutton*, L. R. 3 Ch. App. 708; *Clement v. Maddick*, 1 Giff. 98; *Lee v. Haley*, L. R. 5 Ch. App. 155; *Bell v. Locke*, 8 Paige, 75; *Snowden v. Noah*, Hopk. 354; *Matsell v. Flanagan*, 2 Abb. Pr. n. s. 459; *Hogg v. Kirby*, 8 Ves. 215; 2 Story's Eq. Jur., sect. 951; *Spottiswood v. Clarke*, 2 Phil. Ch. 154; *Cruible Co. v. Guggenheim*, 3 Am. L. J. & R. 293, and cases cited.

The defendant's use of the words "Our Young Folks" is an infringement of the complainants' right. His publication is intended to supply the same demand as theirs. It will be known to its readers and to the trade by the same name. The public will be deceived, and the complainants injured. *Seizo v. Provezende*, L. R. 1 Ch. App. 197; *Croft v. Day*, 7 Beav. 89.

The defendant admits in his letter that "the names might, in some cases, be confounded," and claims that his publication will be a benefit instead of an injury to the complainants, because, as he says, "your publication has but a small circulation compared

to that which ours will have, and therefore . . . ours will be an advertisement for yours." That is, the defendant will advertise the complainants, or the complainants will advertise the defendant; and in either case the public are to be deceived.

The complainants' right to maintain this bill does not depend on the innocence of the defendant in using the complainants' title. *Hall v. Barrows*, 33 L. J. Ch. 204; *Pasley v. Freeman*, 2 Smith, L. C. 62; *Clement v. Maddick*, 1 Giff. 98; *Wellington v. Fox*, 3 M. & Cr. 398.

Causten Browne, *Jabez S. Holmes*, and *A. A. Strout*, for defendant.

I. There is no copyright in the title of the complainants' publication. The copyright act contemplates no copyright in any thing but the book, and regards the title only as a designation of the book. It is merely a name for the copyrighted publication, and the only exclusive right which the author or proprietor has in it is as a title to that particular work.

The title differs from the literary composition which is the subject of copyright in the fundamental characteristic of such composition: it need not be original. Its sole literary merit is in its appropriateness. It may be, often is, a quotation.

In *Cruttwell v. Lye*, 17 Ves. 335, and *Maxwell v. Hogg*, L. R. 2 Ch. App. 305, the court intimated strongly the opinion that there could be no copyright in a title. See also *Jollie v. Jaques*, 1 Blatch. 618, 627.

If, then, the complainants have any exclusive copyright in the words "Our Young Folks," it is as a part of their publication. But the use of those three words in the defendant's publication would not be an infringement of complainants' copyright in their magazine. It has never been held that the use of three words is an infringement of a copyright in a previous publication which contains them.

II. The complainants allege infringement of an exclusive right in the title "Our Young Folks" as a trade-mark.

The fundamental principle of the law of trade-mark is, that no manufacturer or proprietor has a right to sell his goods as those of another. *Hogg v. Kirby*, 8 Ves. 214; *Cruttwell v. Lye*, 17 Ves. 335; *Knott v. Morgan*, 2 Keen, 213; *Spottiswood v. Clarke*, 10 Jur. 1043; *Sykes v. Sykes*, 3 B. & C. 541; *Rodgers v. Nowell*, 5 Man., Gr. & Scott, 109; *Burgess v. Burgess*, 17 Jur. 292;

Perry v. Truefit, 6 Beav. 66; *Leather Cloth Co. v. Am. Leather Cloth Co.*, 11 Jur. 513; *Stokes v. Landgraff*, 17 Barb. 608; *Howard v. Henriques*, 3 Sand. S. C. 725; *Fetridge v. Wells*, 4 Abb. Pr. 144; *Taylor v. Carpenter*, 3 Story, 458; *Marsh v. Billings*, 7 Cush. 322; *Coats v. Holbrook*, 2 Sand. Ch. 586; *Partridge v. Menck*, 2 Sand. Ch. 622; 2 Barb. Ch. 101; 1 How. App. Cas. 558; *Del. & Hud. Co. v. Clark*, 7 Blatch. 112; *Snowden v. Noah*, Hopk. 347; *Bell v. Locke*, 8 Paige, 74.

The question, in all cases where an infringement of the right is alleged, is whether the defendant has so appropriated or simulated the plaintiff's mark that the public has been deceived into buying the defendant's goods as those of the plaintiff, or is likely to be. The plaintiff cannot claim an abstract right in his mark, whenever and however used. It must be used by the defendant in such association as to deceive the public.

If the plaintiff's mark in itself designates the true origin of the goods to which he has applied it, and the defendant has actually used it, that is in itself the fraudulent misrepresentation. But if the mark is not in itself indicative of the origin of the goods to which the plaintiff has affixed it, many considerations are to be taken into account in determining the question of infringement.

The defendant must have simulated the mark of the plaintiff, so that the public will naturally mistake the one for the other. *Leather Cloth Co. v. Am. L. C. Co.*, 11 Jur. N. S. 513; *Croft v. Day*, 7 Beav. 84; *Crawshay v. Thompson*, 4 Man. & Gr. 357; *Seixo v. Provezende*, Law R. 1 Ch. 192; *Cocks v. Chandler*, Law R. 11 Eq. 446; *Welch v. Knott*, 4 Kay & Johns. 747; *Am. Co. v. Spear*, 2 Sand. S. C. 599; *Swift v. Dey*, 4 Robertson, 611; *Partridge v. Menck*, 2 Sand. Ch. 622; *Amoskeag Co. v. Garner*, 55 Barb. 151. And the resemblance must be such as to deceive a person using due caution.

He must have used the mark upon goods of the same kind as those upon which the plaintiff has used it. Cases above cited.

If the use of the thing to which the plaintiff has affixed his mark, or in which he has acquired a good-will, is from its nature necessarily local, the defendant's use must be in the same place. *Howard v. Henriques*, 3 Sand. S. C. 725; *Corwin v. Dailey*, 7 Bos. 222; *Marsh v. Billings*, 7 Cush. 322; *Christy v. Murphy*, 12 How. Pr. 77; *Knott v. Morgan*, 2 Keen, 213.

The cases directly involving an exclusive right in the title of a

periodical affirm the same principles. *Colladay v. Baird*, 4 Phila. 139; *Emerson v. Badger*, 101 Mass. 82; *Spottiswood v. Clarke*, 10 Jur. 1043; *Bell v. Locke*, 8 Paige, 75; *Snowden v. Noak*, Hopk. Ch. (N. Y.) 347; *Matsell v. Flanagan*, 2 Abb. Pr. (U. S.) 459; *Stephens v. De Conto*, 4 Abb. Pr. (U. S.) 47.

The doctrine of the case of *McAndrew v. Bassett*, 10 L. J. N. S. 445, approved in *Maxwell v. Hogg*, may fairly be construed so as to be in accordance with the cases already cited and the principles upon which they rest.

In this case there is no simulation of the complainants' title. The two publications are entirely dissimilar. Deception or misleading of the public into buying the defendant's as that of the complainants is not only improbable, but almost impossible. The law presumes that a purchaser exercises some caution.

No actual misleading of the public is pretended.

SHEPLEY, J. The complainants are the proprietors and publishers of an illustrated magazine for boys and girls, entitled "Our Young Folks," which has been published monthly, in the city of Boston, under the same title, since December, 1864. Previous to the publication of the first number, the publishers duly entered the title of their magazine for securing the copyright thereof. The publication and sale have been continued in regular monthly numbers by the firm of Ticknor & Fields and their successors, including the complainants; and the copyright of each number was taken out and secured according to law, previous to its publication. Complainants allege, that, when the copyright of the first number was taken out, the title "Our Young Folks" had not been adopted, and was not in use for any other similar publication, and has not been used for any similar publication since, except by the defendant; that they have expended large sums of money in publishing and selling the same; that, by reason of their expenditure, and the care and skill by them bestowed, the magazine has acquired an extensive and valuable reputation throughout the United States and elsewhere as a publication for young people, under the title of "Our Young Folks," and was a source of profit to complainants.

The defendant, a publisher at Augusta, Me., announced, by advertisements and otherwise, that he would publish, on the first and fifteenth days of each month, commencing Oct. 1, 1871, an illustrated publication for young people, under the title "Our

Young Folks' Illustrated Paper." It is admitted that he accordingly did issue a very large edition of his illustrated publication, a copy of which is filed with the proofs in the case; and that, upon demand by the complainants before publication, he refused, and still refuses, to withdraw the announcement of the publication, or to change the title, and has published and sold large numbers under said title.

The complainants claim that they are entitled to a remedy under the law of copyright, and also that they have a right to the exclusive use of the name "Our Young Folks," as indicating a periodical, according to the doctrine of trade-marks as applied to the protection of literary publications. It is apparent upon inspection, and not disputed, that the publications of the complainants and the defendant are in no respect the same, or even similar, except in the use by both of the words "Our Young Folks" as a part of the title. The title of the one on the title-page is, "Our Young Folks: an Illustrated Magazine for Boys and Girls;" of the other, "Our Young Folks' Illustrated Paper." Both are illustrated periodicals for the young. The reading matter and the illustrations are not the same, or similar.

Copyright laws are designed for the encouragement of learning, by securing to authors and their representatives the exclusive right to the publication of their literary compositions, as patent laws secure to inventors certain exclusive rights in their discoveries. The Constitution conferred upon Congress the power to promote the progress of science and the useful arts "by securing, for limited times, to authors and inventors the exclusive rights to their respective writings and discoveries." Accordingly, in 1790, Congress passed an act for the encouragement of learning, by securing the copies of maps, charts, and books to the authors and proprietors of such copies, during the times therein mentioned. This act provided, that the author and authors of any map, chart, book, or books . . . "shall have the sole right and liberty of printing, reprinting, publishing, and vending such map, chart, book, or books, for fourteen years from the time of recording the title thereof." The remedy provided by this statute was a right of action given to the proprietor of the copyright, against any person who, without his consent, should publish, sell, or expose to sale, or cause to be published, sold, or exposed to sale, any copy of such map, chart, book, or books.

The act of 1870, "to revise, consolidate, and amend the statutes relating to patents and copyrights," provides, that the author . . . or proprietors of any books, &c., shall, upon complying with the provisions of this act, have the sole liberty of printing, reprinting, publishing, completing, copying, executing, finishing, and vending the same. The nineteenth section provides, that no person shall be entitled to the benefit of the act unless he shall, before publication, deposit in the mail, for the librarian of Congress, a printed copy of the title of such book, and shall, within ten days after publication, mail to the librarian two copies of such copyright book. The remedy of the author or proprietor under this statute is against the person who, without the consent in writing of the proprietor of the copyright, shall print, publish, or import, or, knowing the same to be so printed, published, or imported, shall sell or expose to sale, any copy of such book.

By the plain terms of the statute, the copyright protected is the copyright in "the book," the word "book" being used to describe any literary composition. Although a printed copy of the title of such book is required, before the publication, to be sent to the librarian of Congress, yet this is only as a designation of the book to be copyrighted; and the right is not perfected under the statute until the required copies of such copyright book are, after publication, also sent. It is only as a part of the book, and as the title to that particular literary composition, that the title is embraced within the provision of the act. It may possibly be necessary in some cases, in order to protect the copyrighted literary composition, for courts to secure the title from piracy, as well as the other productions of the mind of the author in the book. The right secured by the act, however, is the property in the literary composition,—the product of the mind and genius of the author, and not in the name or title given to it. The title does not necessarily involve any literary composition; it may not be, and certainly the statute does not require that it should be, the product of the author's mind. It is not necessary that it should be novel or original. It is a mere appendage, which only identifies, and frequently does not in any way describe, the literary composition itself, or represent its character. By publishing, in accordance with the requirements of the copyright law, a book under the title of the life of any distinguished statesman, jurist, or author, the publisher could not prevent any other author from

publishing an entirely different and original biography under the same title. When the title itself is original, and the product of the author's own mind, and is appropriated by the infringement, as well as the whole, or a part of, the literary composition itself, in protecting the other portions of the literary composition, courts would probably also protect the title. But no case can be found, either in England or this country, in which, under the law of copyright, courts have protected the title alone, separate from the book which it is used to designate. In *Jollie v. Jaques*, 1 Blatch. 627, Mr. Justice Nelson says, "The title or name is an appendage to the book or piece of music for which the copyright is taken out, and if the latter fails to be protected, the title goes with it as certainly as the principal carries with it the incident." The only doubt expressed by Mr. Justice Nelson in that case is as to how the question might be decided in case of a valid copyright of a book and an infringement of the title by the defendant. While expressing no opinion upon this question, the reasoning by which he arrives at the conclusion, that when the book fails to be protected the title goes with it, would seem clearly to point to a similar result in a case of alleged infringement of copyright of the book; namely, that if there was no piracy of the copyrighted book, there could be no remedy under the act for the use of a title which could not be copyrighted independently of the book. The injunction granted in the case of *Hogg v. Kirby*, 8 Ves. 215, was not founded on copyright, but on the power a court of equity has to restrain one person from carrying on a trade, or from publishing a work, under a fraudulent representation that such trade or work is that of another. The Chancellor (Lord Eldon), in the opinion in that case, says, "In this case, protesting against the argument, that a man is not at liberty to do any thing which affects the sale of another work of this kind, and that because the sale is affected therefore there is an injury (for if there is a fair competition by another original work really new, be the loss what it may, there is no damage or injury), I shall state the question to be, not whether this work is the same, but, in a question between these parties, whether the defendant has not represented it to be the same; and whether the injury to the plaintiff is not as great, and the loss accruing ought not to be regarded in equity upon the same principles between them, as if it was in fact the same work. Upon the point

whether the work was in fact meant to be represented to the public as the same, I do not say that it is not a question proper for a jury." In the case of *Jollie v. Jaques*, Mr. Justice Nelson declined to consider the question whether the court will interfere to prevent the use of a title in fraud of the plaintiff, upon principles relating to the good-will of trades, because, in the case before him, both parties were residents, and, for aught that appeared in the case, citizens, of New York; and, therefore, independently of copyright, the court had no jurisdiction in the case.

In the case before this court, the bill is filed by complainants as citizens of the Commonwealth of Massachusetts, against the defendant, a citizen of Maine. Relief is sought not only under the law of copyright, but upon the general ground of equity, as related to the good-will of trades and the doctrine of trade-marks. It becomes necessary for the court to determine, in this case, how far the complainants are entitled to a remedy, upon these grounds of equity jurisdiction, and upon the general principles governing courts of equity jurisdiction. Property in the use of a trade-mark or name has very little analogy to that which exists in copyrights or patents for inventions. In all cases where rights to the exclusive use of a trade-mark are invaded, the essence of the wrong consists in the sale of the goods of one manufacturer or vender as those of another. It is only when this false representation is directly or indirectly made that the party who appeals to a court of equity can have relief. *Canal Company v. Clark*, 13 Wall. 311, 322. Words or devices may be adopted as trade-marks, which are not original inventions of the one who adopts and uses them. Words in common use may be adopted, if, at the time of adoption, they were not used to designate the same or similar articles of production. A generic name, or a name merely descriptive of an article of trade, or its qualities or ingredients, cannot be adopted as a trade-mark, so as to give a right to the exclusive use of it. The office of a trade-mark is to point distinctively to the origin or ownership of the article to which it is affixed. Marks which only indicate the names or qualities of products cannot become the subjects of exclusive use, for, from the nature of the case, any other producer may employ, with equal truth and the same right, the same marks for like products. Geographical names, which point out only the place of production, and not the producer, cannot be appropriated

exclusively, so as to prevent others from using them and selling articles produced in the districts they describe under these appellations. In the case of *Brooklyn White Lead Company v. Masury*, 25 Barb. 416, the court said, that, as both plaintiff and defendant dealt in the same article, and both manufactured it at Brooklyn, each had the same right to describe it as "Brooklyn White Lead." Lord Langdale, Master of the Rolls, well expresses the whole law of trade-marks by names, in the case of the *Collins Company v. Cowen*, 3 Kay & Johns. 428. He says, "There is no such thing as property in a trade-mark as an *abstract name*. It is the right which a person has to use a certain name for articles which he has manufactured, so that he may prevent another person from using it, because the mark or name denotes that articles so marked were manufactured *by a certain person*, and no one else can have the right to put the same name upon his goods, and then represent them to have been manufactured by the person whose mark it is."

Applying these principles to the case before the court, the question presented on this branch of the case is, whether the defendant has so simulated the mark of the complainant as to deceive the public, so that the public will naturally mistake his publication for that of the complainant.

Complainants aver that defendant, fraudulently designing to procure the custom and trade of persons who are in the habit of buying their magazine, and to induce them and the public to believe that his publication is in fact the complainants', and in order to obtain for himself the benefit of the reputation of complainants' publication, advertises, prints, and offers for sale, his publication under that title; and allege that the public will be deceived by the title, and led to purchase defendant's publication under the belief that it is the magazine of the complainants. The agreed statement of facts is silent on the question whether the public are deceived, or are in danger of being deceived, as alleged; and whether the customers of the complainants or the public are induced to believe, or are in danger of being induced to believe, that defendant's publication is in fact the complainants', and thereby led to purchase the defendant's magazine under the belief that it is the complainants'.

The case will therefore be referred to a master to ascertain and report the fact upon the foregoing questions to the court; and further proceedings in the case will be stayed until the coming in of the master's report.

MASSACHUSETTS DISTRICT.

JANUARY, 1873.ENOCH PIPER *v.* JAMES BROWN *et al.*

The profits recoverable in equity by the owner of a patented invention from an infringer, are such only as result directly and immediately from the infringement. Remote and contingent profits are not recoverable.

The defendants, in a suit in equity, by their use of the complainant's patented process of preserving fish, were enabled to withdraw fish from the market, and thus obtain a higher price for their unpreserved fish than they would otherwise have received. *Held*, that the profits resulting from such increased price were too remote and indirect to be charged against the defendants as profits realized from their infringement.

The finding of a master, upon a question of fact as to the construction of an apparatus, will not be reversed where it is based not only upon evidence before him not fully reported to the court, but also on his own examination of the apparatus, made by consent and in the presence of the parties.

The use of a certain apparatus by the defendants having been adjudged an infringement of the complainant's patent for a process, they claimed, on the accounting, to have so altered it that its use thereafter no longer infringed the patent; and exhibited to the master such portions of it as were not in use, but, though requested, refused to exhibit the portions which were in use. *Held*, that the master was justified in finding that the defendants still infringed the patent by the use of the apparatus.

In estimating the profits realized from infringement of a patent, compensation is not allowed the infringer for his time and labor.

After the master had submitted a draft of his report to counsel for the parties, the defendants asked leave to introduce further evidence. *Held*, that the request was rightly denied by the master.

HEARING on exceptions to a master's report of profits made by the defendants from their infringement of letters-patent granted the complainant March 19, 1861, for a process of preserving fish, &c.

A ruling not specifically mentioned in the opinion was as follows: After the master had submitted a draft of his report to the counsel for the parties, the defendants asked leave to introduce further evidence, which request the master denied, holding that the evidence was offered too late.

Causten Browne, Jabez S. Holmes, for complainant.

B. R. Curtis, Edward Avery, for defendants.

SHEPLEY, J. Exceptions were duly taken to the report of the master in this case, by both complainant and defendants. Complainant excepts that the master finds as a fact that the defendants, by preserving fish by the patented process and withdrawing them from the market during the season of abundance, have been enabled to demand, and have received, a large price for their green unpreserved fish remaining in their hands for sale in the market; that they have received for such green fish one and one-half cent per pound more than they would have done had they not withdrawn from the market the preserved salmon; and that the amount of green fish on which such advanced price was received was 413,612½ pounds, making a total profit of \$6,204.19; and he claims that the master erred in disallowing the item of \$6,204.19, profits resulting from the enhanced price of green fish.

The master finds that the gain and profit to the defendants, resulting from said enhanced price of one and one-half cent per pound on the sales of green fish in the said year, is not gain or profit with which defendants are to be here charged, because it is an incident of trade too remote and indirect to be charged in this account.

Where profits are recoverable by the owner of a patented invention against an infringer, they are such profits or gains as result directly or immediately from the wrongful act of the infringer. Remote and contingent profits or gains, depending upon the result of successive schemes or investments, are never allowed. The resultant profits are ordinarily best arrived at by determining the difference between the actual ascertained cost and the actual ascertainable value to the infringer, which value, in case of sales by him, is the price obtained or the market value of the thing sold. Profits contingent upon future bargains or speculations, or future states of the market, are not estimated, and are not recoverable. The distinction between such profits as are direct and immediate, and those which are remote and contingent, is recognized in *Masterton v. Mayor of Brooklyn*, 7 Hill, 61, and *The Philadelphia, W. & B. R. R. v. Howard*, 13 How. 307.

The second exception of the complainant is to the finding of a fact by the master. The master found as a fact, that, by the alterations made during the season of 1870, in defendants' appa-

ratus, the atmosphere of the preserving-chamber mingled with the atmosphere of the chamber containing the freezing-mixture, making practically one atmosphere. The whole evidence upon which the master based this finding is not reported. In fact, the report leaves it to be inferred, that, upon this question, in addition to the light afforded by the evidence of experts introduced by the defendants, the master was aided by the evidence of his own examination of the premises at Charlestown, at an inspection of them made by him in the presence and by consent of the parties. Under such circumstances, the finding of the master on a question of fact will not be reversed. *Sparhawk v. Wills*, 5 Gray, 423; *Boston Iron Company v. King*, 2 Cush. 405; *Adams v. Brown*, 7 Cush. 222.

Defendants except to the master's report as to his findings in respect to the operations of the year 1870. The defendants having been enjoined by the court from the use of their Charlestown apparatus as used by them in 1866 and 1867, continued during the years 1868 and 1869 to preserve fish by the complainant's process in a similar apparatus situated in Cambridge, and belonging to other parties. Such use of the Cambridge apparatus having been also adjudged an infringement, they returned, in the year 1870, to the use of the building in Charlestown. The master finds that the apparatus at Charlestown was originally so constructed, that its use by them, for the purpose of freezing and preserving fish, was an infringement of the complainant's patent. They attempted to satisfy the master, and did satisfy him, that at some time between the 20th of June and the 3d of December, 1870, they so altered their apparatus that it could be used without infringing complainant's patent. Whether it was so altered before Dec. 3, 1870, they did not prove. The finding of the master, that the use of the apparatus so altered would not infringe the complainant's patent, was certainly as favorable for the defendants as the evidence would justify. The expert who testified upon the subject did not believe that it made any practical difference in the process whether the openings between the two chambers were large or small. He rejects the whole theory upon which complainant applied for his patent, and utterly ignores any utility in the process of the plaintiff, so far as it is distinguishable from other known processes and patented to him. From his point of view, the communication between the atmos-

phere of the two chambers being productive of no change whatever, being entirely immaterial (except during the time of replenishing the chamber containing the freezing-mixture), the smallest orifice between the two would have been as available to take the apparatus out from the pale of infringement as the largest; and this he frankly states, in substance, in his testimony. Defendants could not reasonably object that a finding was not sufficiently favorable to them based upon this evidence. In coming to this conclusion, the master was unquestionably aided, if not governed, by the evidence of his own senses when he made the personal inspection. But at Charlestown he did not witness the process. He only saw a part of the apparatus not in use. Defendants contend that the master having found that the alterations made at some time prior to Dec. 3 were such that the use of the altered apparatus to preserve fish would not infringe the patent, the burden of proof was then upon the complainant to show that the apparatus when used was restored to its former state. The answer to this position is, that the master has never found any change in the *process* or in the apparatus *in use*. Defendants exhibited to the master such portions of the apparatus as were not in use, but neglected, and on request refused, to exhibit the chamber in which the fish of the catch of 1870 was being preserved. The patent is for a process, not for an apparatus. The exhibition of the modified apparatus not in use was of little moment compared to the exhibition of that part of the apparatus in which the process was going on. This apparatus, or this portion of the apparatus, in which defendants preserved salmon in Charlestown in 1870, was never shown to the master to have contained the alterations in the summer of 1870, at the time the freezing and preserving were in process.

No commissions were paid by defendants for selling the fish preserved by them. It is not customary in estimating profits from an infringement to allow the infringing parties compensation for their own time and labor. The master's decision rejecting the allowance of commissions is sustained. His report is also sustained upon the other points to which exceptions are taken, for the reasons stated by him in his report.

Decree accordingly.

JANUARY, 1873.

ELI W. BLAKE *et al.* v. GEORGE W. RAWSON.

A patent for a machine is not necessarily limited to the particular form of the machine described as the form used by the patentee.

It is not always sufficient proof that two combinations of mechanical elements are equivalent, to show that each element of one combination may be regarded under some circumstances as the equivalent of the corresponding element in the other, when the elements are separately considered. If the mechanical combination of the elements of the two machines be such that the action and mode of operation of the machines differ, then one is not a mere mechanical equivalent for the other.

The reissue patent granted E. W. Blake, Jan. 9, 1866, for a machine for breaking stone, held valid.

BILL in equity to restrain infringement of reissued letters-patent, granted to the complainant, Blake, for a machine for breaking stone, dated Jan. 9, 1866; and for an account. The defence was, that Blake's invention was anticipated by the invention described in United States letters-patent granted James Hamilton, Jan. 3, 1854; and by a machine built and used by one Samuel Forwood. The construction and operation of the complainant's stone-breaker, and the Hamilton and Forwood machines, are stated in the opinion.

George W. Baldwin, H. T. Blake, for complainants.

George Gifford, Charles H. Drew, for defendant.

SHEPLEY, J. This bill in equity is brought for an alleged infringement of the reissued patent of Jan. 9, 1866, to Eli W. Blake, for a new and useful machine for breaking stones for road and other purposes. This patent has already been before the court; and has been sustained by Judge Shipman in the case of *Blake v. Stafford*, 3 Fish. 294, (whose decision in that case was sustained by Mr. Justice Nelson on a motion for a new trial); and also in a case before Judge Drummond. *Blake v. Eagle Works Manufacturing Company*, 4 Fish. 591.

The principal points relied upon in the present case by the learned and able counsel for the defendant, are those which are also set up in the answer in relation to the alleged prior inventions of James Hamilton, as described in letters-patent of the United States, issued to him on the 3d of January, 1854, for "Improvements in machinery for crushing and grinding quartz and other hard substances;" and also of one Samuel Forward

(or Forwood), of Louisville, Ky., who constructed a machine for breaking stones for roads in Louisville, in the year 1847.

The answer sets forth, and counsel contend, that the facts and law applicable to these two machines, as compared with the combination patented to the complainants, were not properly presented to the judges who tried and decided those cases; and also shows, that some of the facts adduced and proved by this defendant, in support of some of the allegations now made by this defendant, were not made and proved in either of the causes above named. For these reasons, we have carefully considered the testimony of the witnesses and the opinions of the experts in relation to the quartz-crusher of Hamilton and the rock-breaker of Forwood, without regard to any previous action on this patent by any court, as if it had never been tried or adjudicated upon.

The essential characteristics of Blake's stone-crusher are two jaws between which the stones are to be broken, having their acting faces so nearly in an upright position that stones to be broken will descend by force of gravity between them; and convergent downward, one toward the other, in such manner that, while the space between them at the top is such as to receive the stones to be broken, the space at the bottom is only sufficient to allow the fragments to pass, when broken, to the required size; and a revolving shaft, with a fly-wheel driven by steam or other power; and such intervening mechanism between the revolving shaft and the movable jaw as shall impart to the jaw a definite vibratory movement, causing it to advance with great power toward the other jaw through a short and definitely limited space, and alternately to recede and advance, so that the stones fall down between the jaws until their descent is arrested between the convergent faces, when the movable jaw, advancing, crushes the stones, and, receding, liberates the fragments; and they again descend, and, if too large to pass through the space at the bottom of the jaws, are again arrested and broken by the advancing movable jaw, until the fragments are sufficiently reduced in size to pass through. The patentee does not claim the manner of supporting the jaws in their proper relative position, or his particular mode of imparting the definite motion with the required power to the movable jaw from the revolving shaft. These, he claims, may be varied indefinitely, without affecting the principle of the operation. After describing the invention

which he claims, the patentee describes the form in which he embodies his invention ; and it is evident from the claims in his patent, taken in connection with the specification to which they refer, that, although he describes a crank, lever, and toggle-joint as one mode, and the mode adopted by him of communicating a definite motion to the movable jaw from the revolving shaft, no construction can properly be given to the patent, such as is suggested by defendants, which would limit it to the toggle-joint mechanism, which is described by the patentee as the particular form in which one element of the patented combination is constructed and embodied in one form of his machine. The machine patented frequently has a broader scope than the particular *form* of the machine described as the form *used* by the patentee. The question of novelty is to be settled by a comparison of prior machines with the machine patented, rather than the form of the machine in use.

The Hamilton quartz-crusher, relied upon as an invention antedating the complainants', is a combination of certain elements which, separately considered, do not materially differ from the elements of the combination described in the Blake patent. All the elements of the combination are old in both machines. The novelty in both consisted in the peculiar mechanical combination of the members of the contrivance, and the resultant mode of operation. The movable jaw in the Blake machine advances toward and recedes from the fixed jaw in a direction substantially at right angles with the faces of the jaws, so that, when advancing, the stones are nipped and crushed between the jaws, and, when receding, the stones are liberated. In the Hamilton quartz-crusher there is a cylindrical roller or pestle in a basin having its sides eccentric to the circle of the movement of the roller or cylindrical pestle, the inner sides at the bottom of the curved basin gradually approximating to the circle of movement of the cylindrical roller. This cylinder is made to move around its central shaft with a reciprocating vibratory movement, but, being cylindrical and turning upon a fixed central axis, can only move in the direction of the periphery of the cylinder. The surfaces of the cylinder operate upon the material by a grinding process tending to rotate the stones on their own axis, and at the same time to draw them down into a space where, by reason of the eccentricity of the opposite surfaces, they are nearer to each

other than at the point where they begin to operate on the stones to be crushed. In the Hamilton machine, every point on the acting face of the roller moves in the segment of the circle of the periphery. In the Blake machine, it is strictly correct to say that the points in the movable jaw advanced toward the fixed jaw in the arc of a circle, but the *whole* movable jaw advances toward and recedes from the fixed jaw, and the space through which it moves is so small compared with the periphery of the circle which would be described if its rotation were continued, that the operation upon the material is substantially the same as if the movable jaw were advanced toward the fixed jaw in a direction at right angles with the face of the jaw, nipping and crushing the material at the points of impact without any tendency to a rotating or grinding action upon it. In the Hamilton crusher, the surface of the rotating cylinder passes laterally by the surface of the basin, reducing the material both by the grinding operation and by moving it into a space progressively narrower, as if it was passing between rollers. The mode of operation is different in the two machines. It is not always enough, to prove that two combinations of elements are equivalent, to show that each element of the combination in one may be regarded under some circumstances as the equivalent of the corresponding element in the other, when the elements are separately considered. If the mechanical combination of the members of the two machines be such that the action and mode of operation differ in the two machines, then one is something more than a mere mechanical equivalent for the other. A careful examination of the evidence in the case, and close comparison of the working models of the two machines, has resulted in forcing upon my mind the same conclusion arrived at by Mr. Justice Nelson, in the case of *Blake v. Stafford*, when he says, "Hamilton's quartz-crusher neither embodies the arrangement nor mode of operation of the plaintiff's machine, but operates upon a different principle and embodying a different set of ideas."

The Forward machine is not in existence ; and no such machine is proved to have been in existence within twenty years. There is no evidence tending to show that more than one Forward machine was ever made or used. Only two persons testify to having seen that machine. Only one witness testifies to any thing which can possibly be claimed to have been any other than an experimental use. The model introduced in evidence, con-

structed to correspond with the description of the machine as testified to by these two witnesses, according to their recollection, after the lapse of twenty years, does not in some important particulars correspond with the drawings given by one of the witnesses; and the two witnesses differ also materially in their statements. The principal feature of the Forward machine was, that it had two horizontal jaws, each from six to seven feet long, whose opposite bearings were from twelve to fourteen feet apart. The crushing-faces of these jaws were proximately segments of a circle, the radius of which is represented by the length of the jaw. In the downward movement of the two jaws they operated in the crushing process upon the material as if it were passing between two cylinders of a diameter of twelve or fourteen feet. The idea of the machine seems to have been, by use of two segments of cylinders of this diameter, to avoid the use of such cumbersome and expensive devices as two cylinders of such great diameter and great weight and expense as their requisite strength would have involved, and at the same time to obtain the same result. There was no lateral movement by which the jaws could be made to recede from each other after the crushing process resulting from the downward movement. The upward movement of the jaws was one which threw them against and lifted the whole mass of superincumbent material. In view of this obvious feature of the machine, it is impossible to credit the testimony of Johnson, or to agree with the opinion of the expert, that this was ever a practically successful machine. The inference that it was not is also strengthened by the fact that it was immediately abandoned, and never appears to have been used afterward; and there is no evidence that a second one like it was ever made. It is difficult to see how Blake could have been aided in the development of the ideas embodied in his structure by any suggestions he could possibly have received from Forward's machine, if that had been in existence and known to Blake when he was developing his invention.

It is too clear to require any extended remarks, that no one of the other machines referred to in the answer anticipated the invention of Blake. He is therefore to be considered as the original and first inventor of what he claims in his patent. Applying the construction already given to those claims, the infringement by the Rawson machine is obvious.

Decree for complainants.

JANUARY, 1873.

ABEL E. BRIDGE *et al* v. RUFUS BROWN *et al*.

The purpose of an apparatus, as stated in the specification of a patent, was "to utilize exhaust steam from a steam-engine, for the purpose of making extracts from tan-bark and other materials." The claim of the patent was for the combination of the exhaust-pipe with certain other devices, "in the manner and for the purpose substantially as set forth." *Held*, that the patent was not infringed by an apparatus for making extract from tan-bark, in which exhaust steam was not used, but the steam was taken direct from the boiler of the engine, through a pipe of such dimensions as would effectually prevent its practical use in the apparatus in connection with the exhaust-pipe of a steam-engine.

BILL in equity for an injunction to restrain alleged infringement of letters-patent for an improved apparatus for making extracts from tan-bark, granted S. W. Pingree Oct. 24, 1865; and for an account of profits. The apparatus consisted essentially of a leach, in which the bark was placed; boxes close to the leach, and communicating with it by means of numerous perforations in their sides; and a pipe and branch pipes, through which the exhaust steam of a steam-engine was conducted to the boxes, and thence through the perforations to the bark in the leach. The cross-section of the boxes was considerably larger than the pipes, so as to allow expansion of the steam carried to them. By this expansion and partial condensation of the steam in the pipes and boxes, back pressure on the piston of the engine was prevented. The claim of the patent was for "the boxes, G, with perforated sides, applied in combination with the exhaust-pipe, D, and leach, A, or its equivalent, in the manner and for the purpose substantially as set forth."

In the apparatus of the defendants, exhaust steam was not used, but the steam was taken direct from the engine-boiler to the boxes, through a pipe so small that it could not be used to conduct the exhaust steam to the boxes, without great back pressure on the piston of the engine.

T. L. Wakefield, for complainants.

S. B. Ives, Jr., S. Lincoln, Jr., George L. Roberts, for defendants.

SHEPLEY, J. Letters-patent No. 50,626, issued Oct. 20, 1865 to S. M. Pingree, for a new and improved apparatus for making extracts from tan-bark. The patentee declares that "the object of this invention is to utilize *exhaust steam* from a steam-engine

for the purpose of making extracts from tan-bark and other materials." The invention consists, according to the specification of the patent, in the arrangement of a box with perforated sides and bottom, in combination with a pipe which conducts the exhaust steam to the leach containing the bark or other material to be extracted, in such manner that the steam is free to expand and made to condense partially as it passes from the exhaust-pipe into said box, and all back pressure on the piston is avoided, and at the same time the full benefit of the action of the steam on the bark or other material is obtained. The patentee then describes a leach, which is provided with a tightly fitting cover, and which, for the sake of convenience, may be divided off by transverse partitions into a series of compartments. A pipe extends over the entire length of the leach, and branch pipes lead from this pipe down into the several compartments. The bark or material to be extracted rests on slotted or perforated false bottoms, and the branch pipes lead into boxes which are situated close to the leach. The cross-section of the boxes is considerably larger than that of the pipes, so that the steam in passing into the same is free to expand; and the sides of said boxes are perforated with a large number of holes through which the steam passes out to the bark. The pipe, D, is intended to connect with the exhaust-pipe of a steam-engine, and, as the exhaust steam passes through said pipe and the branch pipes into the boxes, it expands readily, and a partial condensation takes place, both within said boxes and outside of the same, and by this partial condensation, combined with the rapid expansion of the steam as it reaches the boxes, all back pressure on the piston of the engine is avoided. Thus, he says, "By my apparatus the exhaust steam is utilized, and a great saving in fuel is effected." The claim of the patent is for "the boxes, G, with perforated sides, applied in combination with the exhaust-pipe, D, and leach, A, or its equivalent, in the manner and for the purpose substantially as set forth."

The patent is for an apparatus for making extracts from tan-bark and other material; not for the process of extracting the tannin, but for an apparatus consisting (*first*) of the boxes, G, with perforated sides, applied in combination with (*second*) the exhaust-pipe, D, and (*third*) leach, A, or its equivalent, (*fourth*) in the manner, and (*fifth*) for the purpose, substantially as set forth.

In the state of the art at the date of the invention of Pingree there was nothing new in the form or structure of his leach, nor in the mode or purpose of its use, apart from the introduction into it of steam from the exhaust-pipe of an engine, instead of from a steam-pipe taking its supply directly from a boiler. The boxes with perforated sides are not claimed except as combined with the exhaust-pipe and leach, in the manner set forth in the patent, and for the purpose set forth. This purpose was the utilization of exhaust steam, and the consequent saving of fuel in making extracts from tan-bark and other materials. There is no evidence in this case that the defendants use the complainants' combination. They do not use the boxes, G, in combination with the exhaust-pipe, D, in the manner or for the purpose set out in the patent, that manner and purpose being in the patented apparatus that the exhaust-pipe should conduct the exhaust steam to the leach in such manner that the steam is free to expand, and made to condense partially as it passes from the exhaust-pipe into said box, and *all back pressure on the piston is avoided*, and at the same time the full benefit of the action of the steam on the bark is obtained. Defendants do not use their boxes to conduct exhaust steam to the leach, nor for the purpose of condensing the steam and avoiding back pressure on the piston. They do not use exhaust steam, but take their steam directly from the boiler. They do not use their boxes in combination with complainants' exhaust-pipe, for they do not use any exhaust-pipe or any equivalent for it. The pipe used by them is not like the pipe D, the exhaust-pipe of a steam-engine, and is not capable of being used for that purpose. The dimensions of the pipe are such as would effectually prevent its use for any such purpose, in connection with the process for which it is used by the respondents. It is contended by complainants, that although the apparatus patented by Pingree is designed for exhaust steam, their patent would cover its use for any cognate purpose. It is a sufficient answer to this position, that it has already been shown that defendants do not use all the elements of the combination as described and claimed in the patent. Defendants' steam-pipe is not the exhaust-pipe D, or the equivalent of the pipe D, described in Pingree's claim. No case of infringement is made out, and complainants' bill must be dismissed.

Decree accordingly.

MARCH, 1873.

DANIEL DRAPER v. THOMAS S. HUDSON.

An old article, though made by a new machine, is not patentable as a new article of manufacture.

The right to an account in patent suits in equity, is incident to, and depends upon, the right to injunction and discovery.

BILL in equity for an injunction to restrain alleged infringement of letters-patent for a device for forming letters and figures on type-blocks, originally granted to the complainant May 7, 1867, reissued May 18, 1869; and for an account. The defendant died pending the suit, and his executor was made party defendant. No discovery was prayed against the executor, and there was no proof of infringement by him.

James B. Robb, for complainant.

Walter Curtis, Charles M. Reed, for defendant.

SHEPLEY, J. The first claim in complainant's patent, as reissued, is for the combination of the devices described in his patent for producing letters and figures upon the edges of type-blocks for hand-stamps and other purposes, substantially as set forth. The evidence fails to show any infringement of this claim after the date of the reissued patent. The second claim is for, as a new article of manufacture, a type-block with letters, figures, or characters produced thereon, in the manner substantially as described. The patent itself shows that a type-block such as described was not a new article of manufacture. It describes at least one mode by which a similar type-block had been made before, but which mode consumed considerable time and was very expensive. His type-block is not represented in the patent as a new article of manufacture in any other sense than as an old article made upon a new machine. This is not a new manufacture in the sense of the patent law. It could not have been the intention of the statute that pins, matches, nails, and other old articles in common use should be patented as new articles of manufacture simply because they were fabricated by the use of new and improved machinery, unless the product itself was a new and improved product, and as such possessing novelty of its

own, independent of the new devices or processes or arts by which it was produced. The second claim of the patent cannot, therefore, be sustained.

The record in this case shows the death of the defendant. No injunction can issue against the defendant, and, as there is no proof of infringement by the executor, none can issue against him. No discovery is prayed for against the executor, and there is no presumption of any knowledge by him of his testator's acts. When the title to the principal relief, which is the proper subject of a suit in equity — the injunction and discovery — fails, the incidental right to an account fails also. *Price's Co. v. Bauwen Co.*, 4 K. & J. 727; *Baily v. Taylor*, 1 R. & M. 73; *Smith v. London & S. W. R. R. Co.*, Kay, 415; Kerr on Injunctions, 435. Although the jurisdiction of the Circuit Court in equity in patent causes rests upon statute provisions, it is to be exercised according to the course and principles of courts of equity; and the Supreme Court of the United States having decided in *Stevens v. Gladding*, 17 How. 455, that "the right to an account of profits is incident to the right to an injunction in copy and patent right cases," it would seem to follow that in a case like the present, where the title to equitable relief fails, the general rule of equity applies, that the incidental relief fails also.

Bill dismissed, without costs.

MARCH, 1873.

STEPHEN MORSE, Jr., *et al.*, v. THE MASSACHUSETTS NATIONAL BANK.

FRANK S. FISKE v. SAME.

A verbal agreement by a bank, made with the payee, on presentment of a check on the bank, the bank then having no funds of the drawer on deposit, to pay the check if the payee will deposit it in another bank, so that it shall be presented for payment through the clearing-house, is within the Statute of Frauds.

ACTIONS at law by the payees of certain checks drawn by one Beal on the defendant bank. The defendant demurred to the declarations, and the cases were heard on the demurrers. The material allegations of the declarations are stated in the opinion.

George S. Hale, George S. Hillard, for plaintiffs.

Preston & Kimball, Converse & Kelley, for defendant.

SHEPLEY, J. The declaration in each of these cases alleges that the plaintiff, on the twenty-ninth day of August, 1866, was the owner and possessor of a check drawn and signed by one B. Franklin Beal, whereby Beal directed the Massachusetts National Bank to pay to the order of the plaintiff the sum of ten thousand two hundred and ninety dollars; that the plaintiff on the same day presented the check for payment; and the defendants, in consideration that the plaintiff would deposit said check for collection in some other bank in the city of Boston, so that the same should be presented for payment through an association called and known as the Clearing-house Association, promised and agreed with the plaintiff, that, upon such presentation, they, the said defendants, would pay the same; and the plaintiff alleges that, in consideration thereof and in pursuance of the said request, he did agree to deposit said check in some other bank in Boston, that the same should be transmitted from said bank through the clearing-house for payment; and accordingly did deposit it in the First National Bank; and the check was, by the First National Bank, through the Clearing-house Association, duly presented to defendants for payment, and defendants refused to pay the same. Defendants demur to the declaration, and plaintiffs join in the demurrer.

There is no averment that, at the time of presentation of the check, the drawer had any funds on deposit in the defendant bank, or that defendant at that time was under any obligation to honor his checks.

The suit is brought by the original payee of the check, and not by an indorsee or subsequent assignee or *bona fide* holder for value. The question presented is, whether, when a check is drawn upon a bank by a drawer who has no funds on deposit to pay the check, the bank is liable upon its verbal promise to pay, if the holder would deposit the check in another bank and have it presented through the Clearing-house Association; in case the holder agrees to deposit, and does so deposit, the check in another bank, and have it presented.

The contract of a bank with a depositor is to pay his checks when presented for payment, if, at the time of presentment of the check, he has funds on deposit sufficient to pay the check.

Cashiers of banks are held out to the public as having authority to act according to the general usage, practice, and course of business conducted by the bank; and their acts, within the scope of such usage, practice, and course of business, will in general bind the bank in favor of third persons possessing no other knowledge. *Minor v. Mechanics' Bank*, 1 Pet. 70; *Merchants' Bank v. State Bank*, 10 Wall. 604. To this extent the liability of the bank for the acts of its officers is recognized in the opinions of the dissenting justices, as well as in the opinion of the court in the case last cited. And in that case, where a cashier had certified as "good," checks of a drawer having no funds on deposit to pay the checks, it was held that it should have been left to the jury to determine whether from the evidence as to the powers exercised by the cashier, with the knowledge and acquiescence of the directors, and the usage of other banks in the same city, it might not be fairly inferred that the cashier had authority to bind the bank by such certificate. The certificate of the cashier of a bank that a check is "good," is a representation of a present existing fact, within his knowledge as cashier; and if that certificate be made by him in the course of his ordinary business as cashier, it will bind the bank in favor of innocent third persons, upon the principle of *estoppel in pais*, even if the certificate be not true and the drawer of the check has no funds on deposit in the bank. The ordinary duties of a cashier are well known. They are to keep the funds, notes, bills, and other choses in action, of the bank, to be used from time to time for the exigencies of the bank; to receive directly, and through subordinate officers, all moneys and notes of the bank; to surrender notes and securities upon payment; to draw checks; to withdraw funds of the bank on deposit; and, generally, to transact, as the executive officer of the bank, the ordinary routine of business. But the ordinary duties of a cashier do not comprehend the making of a contract which involves the payment of money without an express authority from the directors, unless it be such as relates to the usual and customary transactions of the bank. *Bank of U. S. v. Dunn*, 6 Pet. 59; *United States v. Bank of Columbus*, 21 How. 364.

Defendant contends that it was not in the power of any cashier or other officer of a national bank to make a valid promise to pay a check not drawn against funds deposited in the bank, simply

in consideration that the holder of the check will present it through some other bank, and have it pass through the clearing-house. If this point in relation to the authority of the cashier or teller, or other officer of the bank *as* such cashier, teller, or other officer merely, were open on the state of pleadings in this case, I should not find much difficulty in deciding that such a promise was wholly outside of the ordinary duties of a cashier or other officer of the bank, and would not bind the bank in the absence of proof of express delegation from the board of directors of power to make the contract. But the declaration in this case avers that the promise was made by the bank, not by the cashier or any other officer, and the demurrer admits the averment. *Willets v. Phenix Bank*, 2 Duer, 129. The case must, therefore, on the pleadings, be considered as presenting the question of the liability of the bank upon the promise declared upon as the promise of the bank.

There was no representation made in this case by any officer of the bank that the drawer had any funds in the bank when the check was presented. If such was the case, the bank was bound to pay the check on presentation. The refusal of the bank to do so, although accompanied with a promise to pay it at a future time, was in fact information to the holder of the check that the bank had no funds of the drawer on deposit at that time wherewith to pay the check. The case does not, therefore, fall within that class of cases like *Pope v. Bank of Albion*, 59 Barb. 226, in which it has been held that any language, whether verbal or written, employed by an officer of a banking institution whose duty it is to know the financial standing and credit of its customers, representing that a check drawn upon it is good, and will be paid, estops the bank from thereafter denying, as against a *bona fide* holder of the check, the want of funds to pay the same. Nor do the plaintiffs in these cases represent *bona fide* holders of the checks, who have purchased the same upon the strength of such representations. There does not appear to be any thing in this case to take the promise declared on out of the operation of the Statute of Frauds.

A check is merely evidence of a debt due from the drawer. Whether it shall operate as payment or not, depends on two facts: first, that the drawer has funds to his credit in the bank upon which it is drawn; and, second, that the bank is solvent, or

in other words, pays its bills and the checks duly drawn upon it, on demand. *Taylor v. Wilson*, 11 Met. 51.

There being no funds of the drawers of these checks in the bank, the bank received no benefit or advantage from the promise of the holder to deposit the checks in the other bank, and that the same should be presented through the clearing-house. The promisors lost nothing by such promise. They had seasonably presented the checks; were guilty of no laches; were not even obliged to notify the drawers of the non-payment, the drawee having no funds. They did not disable themselves from enforcing their debt against Beal, or promise to delay enforcing or collecting it. They were as much at liberty to collect their debts of Beal, while the unpaid checks were in the banks, or clearing-house, for collection, as if they were in fact, as they were in law, in their own possession.

The debt remained the debt of Beal. The promise of the bank to pay it was a promise to pay the debt of another, and void under the Statute of Frauds. This is not a case where the guaranty or promise which is collateral to the principal contract is made at the same time and becomes an essential ground of the credit given to the principal or direct debtor. In this case, the collateral undertaking of the bank was subsequent to the creation of the debt, and was not the inducement to it, though the subsisting liability was the ground of the promise. There must, to sustain the promise and take it out of the operation of the statute, be some other and further consideration shown; for the consideration for the original debt will not attach to this subsequent promise. *Wain v. Warlters*, 5 East, 20; *Leonard v. Vredenburg*, 8 Johns. 31. The promise of the payees of these checks, as set out in the declaration, does not amount to such further and new consideration as to take the case out of the operation of the statute. It is contended that it amounts to a parol acceptance of the checks, and that a parol acceptance of a check is good. Authority may be found in many text-books of writers of high authority upon commercial law, for the proposition stated, without qualification or exception, that a parol acceptance of a bill is good. *Vide* 1 Parsons on Bills and Notes, 285. But it is believed that an examination of the cases cited in support of this proposition will not sustain its application to the case of a parol accommodation acceptance of a bank check. A verbal

acceptance of, or a verbal promise to accept, a check when the acceptor has funds of the drawer in his hands, is entirely without the operation of the statute, from the consideration that the drawee's engagement is, in fact, to pay his own debt to the drawer, the owner of the funds. But it is not perceived how any sound reason can be given why a verbal acceptance, or promise to accept, for the mere accommodation of the drawer, without funds or value received, should not be treated as within the statute. Browne on Stat. of Frauds, sects. 172, 174; *Quin v. Hanford*, 1 Hill, 82; *Pike v. Irwin*, 1 Sand. 14; *Pillans v. Van Mierop*, Burr. 1663; *Johnson v. Collings*, 1 East, 98; *Curtis v. Brown*, 5 Cush. 488, and cases cited; *Dexter v. Blanchard*, 11 Allen, 365. Courts have frequently expressed their dissatisfaction that the rule with regard to implied as well as parol acceptances of bills has been carried as far as it has, and their regret, as stated in *Boyce v. Edwards*, 4 Pet. 122, "that any other act than a written acceptance of the bill had ever been deemed an acceptance."

In *Townsley v. Sumrall*, 2 Pet. 170, which decides that a verbal accommodation acceptance is taken out of the statute by the circumstance that the party to whom the promise was made paid money on the strength of it, the whole opinion on this point in the case proceeds upon the assumption, that, without some new and original consideration moving between the parties to the collateral undertaking, a verbal accommodation acceptance is within the statute. The mischief of the rule holding parol acceptances of bills to be good was so apparent, that the subject has been regulated by statute in several of the States, requiring the acceptance to be in writing; and in England, by the statute 1 & 2 George IV., c. 78, an acceptance of an inland bill must be in writing, and on the bill itself. But the reasons given for holding good a parol accommodation acceptance of a bill of exchange do not apply to the case of a bank check. The distinguishing characteristics of checks, as contradistinguished from bills of exchange, are, that they are always drawn upon a bank or a banker; that they are payable immediately on presentment without the allowance of any days of grace; and that they are never presentable for acceptance, but only for payment. Story on Promissory Notes, sect. 489, and cases cited in note. The promise declared on does not amount to an acceptance. If it be treated either as a promise to accept or a promise to pay, it cannot avail the plain-

tiffs. No consideration to support the promise is stated, or appears. The checks were not taken on the faith of such promise. The holder gave nothing, and relinquished no advantage for the promise. All the cases, including those before cited, which hold that a promise to accept amounts to an acceptance, put the doctrine on the ground that the holder has taken the bill on the faith of the promise. *Coolidge v. Payson*, 2 Wheat. 66; *Schimmepennich v. Bayard*, 1 Pet. 284; *Adams v. Jones*, 12 Pet. 207; *Russell v. Wiggins*, 2 Story, 237.

The promise declared on must be considered as one without consideration, and therefore *nudum pactum*. *Overman v. Hoboken City Bank*, 1 Vroom, 61, 68.

Demurrers sustained.

MARCH, 1873.

ALONZO S. GEAR *et al.* v. JONATHAN P. GROSVENOR *et al.*

Extended letters-patent cannot be impeached in a suit for infringement, for fraud in obtaining the extension.

The jurisdiction of the Commissioner of Patents in the matter of extension of letters-patent commences on the filing of the petition and payment of the required fee.

The subsequent ordering of notice, and adjudication whether publication has been duly made, are acts in the exercise of the jurisdiction previously acquired.

The issuing of a patent is *prima facie* evidence that the legal prerequisites to the grant have been complied with; and recitals to that effect in the patent are not necessary.

A conveyance of the extension of a patent, made before extension granted, becomes operative, and the legal title vests in the assignee, upon the grant of the extension.

A patentee applying for extension should himself have an interest in the extension. An equitable interest is sufficient.

An assignment of all the grantor's right, title, and interest in certain "letters-patent," *habendum* "to the full end of the term for which said letters-patent are or may be granted," conveys no interest in a subsequent extended term of the patent.

The owner of a patent is not estopped from prosecuting a suit to restrain infringement thereof, by his previous admissions, afterwards recalled, that he was not the owner of the patent, unless it appears that the acts complained of were committed after, and in reliance upon, the admissions, and without notice of their recall.

An assignment, before patent granted, of all the grantor's right, title, and interest in a certain invention, *habendum* to the full end of the term for which "letters-patent are or may be granted," conveys the grantor's interest in an extended term of a patent for the invention. (See note.)

SHEPLEY, J. This is a bill for an injunction and account, based upon letters-patent granted to Nathaniel Gear Nov. 8,

1853, for a machine for turning and cutting irregular forms, and extended for the additional term of seven years from Nov. 8, 1867. The answers of the defendants allege that the extension of the letters-patent was procured by fraud, misrepresentation, and in violation of law.

It is well settled that a patent from the government cannot in a collateral proceeding be impeached for fraud in procuring its issue; this can only be done in a direct proceeding to set it aside. *Eureka Co. v. Bailey Co.*, 11 Wall. 489; *Rubber Co. v. Goodyear*, 9 Wall. 796.

Defendants, however, claim that, while they are precluded from relying upon any fraud or misrepresentation made to the Commissioner of Patents, while in the lawful exercise of his functions in judicially determining upon a matter in which he had acquired jurisdiction, they have a right to aver and prove the nullity of his decision for want of jurisdiction of the question upon which it is made. As a matter of fact, they contend that the notice required by law to be published sixty days previous to a hearing before the Commissioner of Patents, on an application for extension of letters-patents, was fraudulently suppressed, and never published in the manner required by law.

Defendants also claim, that, even if the order and notice in the proceedings for obtaining the extension were published in compliance with the terms of the order of the commissioner, the publication was not made as required by the terms of the law then in force. The order of the commissioner was as follows: "Ordered, that this notice be published in the 'Republican' and the 'Intelligencer,' Washington, D. C., and in the 'Washington County News,' Marietta, Ohio, *once a week for three successive weeks*, the first of said publications to be at least sixty days previous to the day of hearing." Defendants claim that this was not a publication "for at least sixty days," required by the act of 1861. For this reason, as well as by reason of the alleged suppression of the publication of the notice as ordered, it is contended that the Commissioner of Patents never acquired jurisdiction of the subject-matter, and that the extension was granted without authority of law.

If the defence of want of validity of the extension by reason of informality in the order of notice, or fraudulent suppression of publication of the notice ordered, be one which is open to the

defendants in a suit brought for alleged infringement of the extended patent, it may well be doubted whether the allegation in the answer in this case is sufficient to let in the defences set up. The allegation that "the same was procured by fraud, misrepresentation, and in violation of law," is simply an allegation of a conclusion of law from facts, which facts are not pleaded. There is nothing in the allegation in the answer which would take the defence out of the scope of the decisions of the Supreme Court, that the act of the commissioner cannot be impeached for fraud.

But if the defence were well pleaded in the answer, and the facts were alleged, which are relied upon to establish the fraud and the absence of jurisdiction, I do not think they would avail the defendants in this proceeding. The act of 1836, chap. 357, sect. 18, made it the duty of the Commissioner of Patents, whenever a patentee made application in writing to the Commissioner for an extension of his patent beyond the term of its limitation, to cause to be published in one or more of the principal newspapers in the city of Washington, and in such other paper or papers as he may deem proper, published in the section of the country most interested adversely to the extension of the patent, a notice of such application, and of the time and place when and where the same will be considered, that any person may appear and show cause why the extension should not be granted. The act of 1848, chap. 47, sect. 1, vested in the Commissioner of Patents, solely, the power to extend patents previously vested in a board composed of the Secretary of State, Commissioner of Patents, and Solicitor of the Treasury; and provided for a reference of the case to the principal examiner having charge of the class of inventions to which the case belongs, after application made to the commissioner, "*and sixty days notice given thereof.*" The law of 1861, chap. 88, sect. 12, required all applications for the extensions of patents to be filed at least ninety days before the expiration thereof, "*and notice of the day set for the hearing of the case shall be published, as now required by law, for at least sixty days.*"

As has been previously stated, the commissioner, in the case of this application, ordered the notice to be published "for three successive weeks, the *first* of said publications to be at least sixty days previous to the day of hearing;" and the claim is, that the

publication should have been made for sixty days successively before the hearing, and, not having been so ordered or made, the commissioner had no jurisdiction.

It should here be noted that it appears that the construction put upon the act of 1861 by the commissioner in this case, in ordering the notice, was in accordance with the invariable practice of the office, no change having been made after the passage of that act in the forms of the orders of notice as issued since the passage of the act of 1848. The construction given to a statute by the officers appointed to execute it, and acted upon by them for a long term of years, though not conclusive, is entitled to great consideration by the court. *Union Ins. Co. v. Hoge*, 21 How. 35, 66; *Edward's Lessee v. Darby*, 12 Wheat. 210.

But it is not necessary to place the decision on this ground. The jurisdiction of the commissioner over the subject-matter commences with the filing of the petition which makes it his duty to exercise that jurisdiction, by causing a proper notice to be published: before such order is issued, he must, in the exercise of that jurisdiction, have determined whether the publication should be in one or more of the principal newspapers in Washington; what newspapers in Washington were "principal newspapers" in the sense of the statute; what "other paper or papers he may deem proper" for the publication in the particular case before him; and what "section of country is most interested adversely to the extension of the patent." It is plain, from this examination of the statute, that the filing by a patentee of the petition for extension, and the payment of the required sum for expenses, confers the jurisdiction. The subsequent acts of selecting the papers in which publication shall be ordered, and the number and locality of the papers, and issuing the order, and adjudicating upon the question whether that publication has been made according to law, are all in the exercise of the jurisdiction previously acquired.

It is insisted that the certificate of the commissioner granting the extension shows upon its face a want of jurisdiction, and that the notices were not given as required by the act of 1861. The certificate of the commissioner is, that in accordance with the provisions of the act of 1836, and the act of 1848, he "did, on this thirtieth day of September, 1867, decide that said patent ought to be extended." It contains no recitals respecting the notices

issued, or the mode of their publication. Such recitals in a patent, whether original, reissued, or extended, are unnecessary. Where, as in this case, an act is to be done, or a patent granted upon proofs to be laid before a public officer, upon which he is to decide, the fact that he has done the act or granted the patent is *prima facie* evidence that the proofs have been regularly made, and were satisfactory. No other tribunal is at liberty to re-examine or controvert the sufficiency of such proofs, if laid before him, when the law has made such officer the proper judge of their competency and sufficiency. It is not necessary that the patent should contain any recitals that the prerequisites to the grant of it have been duly complied with, for the law makes the presumption; and if, indeed, it were otherwise, the recitals would not help the case without the auxiliary proof that these prerequisites had been in fact complied with. *Philadelphia & Trenton R. R. Co. v. Stimpson*, 14 Pet. 458; *Seymour v. Osborne*, 11 Wall. 543; *Rubber Co. v. Goodyear*, 9 Wall. 797; *Stimpson v. Westchester Railroad Co.*, 4 How. 384.

The answers of defendants deny the title of the complainants to the extension of the patent.

The deed of Nathaniel Gear, the patentee, to Alonzo S. Gear, one of the complainants, is dated July 10, 1867. It recites the granting of the original patent; that application has been made for an extension; and, for a valuable consideration, assigns, sells, and transfers to Alonzo S. Gear all the right, title, and interest which the grantor has or may have in and to the invention by virtue of the granting of the said extension, followed by the usual *habendum* clause. The extension was granted on the 30th of September, 1867, for the term of seven years from the eighth day of November, 1867. On the 25th of November, 1867 (after the extension was granted), Alonzo S. Gear conveyed one undivided half of the patent for the extended term to John Gear, the other complainant.

Defendants contend that the assignment of N. Gear to Alonzo S. Gear was delivered before the extension was granted, and that Alonzo S. Gear did not take thereby a vested legal title, but only an equitable interest capable of being perfected by a court of equity, in event of a refusal by N. Gear to perfect it by a subsequent conveyance. In *Railroad Co. v. Trimble*, 10 Wall. 380, the Supreme Court held that a conveyance made before a grant

of extension became operative upon the right as soon as the extension had been granted, and that by force of such conveyance the legal title in that case, under the extended as well as under the original, patent, passed to the grantee.

The act of Congress authorizing the extensions of patents undoubtedly contemplated a benefit to the patentee not yet sufficiently rewarded by the receipts from his patent. The policy of the law would seem to require that the patentee applying for the extension should himself have an interest. An equitable interest is sufficient for this purpose, the court having decided that he may convey the legal interest. Such an interest the patentee in this case had, by virtue of the stipulations between himself and his grantee that he should be interested to the extent of one-half of the proceeds from sales or use of the patented invention.

Defendants aver that complainants never had the exclusive ownership of the territory of New York and Massachusetts for the extended term of the patent. It is clear that complainants have no title to the extended term for the State of New York. Nathaniel Gear, before the conveyance to A. S. Gear, had conveyed his interest in the extension to the New York Circular Molding Company, by a deed in terms embracing all extensions that might be granted of the rights in the patent conveyed.

The rights of the complainants in Massachusetts depend upon a state of facts entirely different. Nathaniel Gear, by his assignment dated April 24, 1854, conveyed to John M. Buell as follows: "All the right, title, and interest I have in *said letters-patent* in the following territory, and in no other place or places, to wit, the State of Massachusetts; the same to be held and enjoyed by the said John M. Buell, his heirs and assigns, for his own use and behoof, and for the use and behoof of his legal representatives, to the full end of the term for which said letters-patent are or may be granted, as fully and entirely as the same would have been held and enjoyed by me had this assignment and sale not been made." An assignment of an interest in an invention and letters-patent therefor before the expiration of the original term, does not carry with it any interest in a subsequently extended term, unless the assignment contains a specific provision to that effect. *Wilson v. Rousseau*, 4 How. 646; *Bloomer v. McQuewan*, 14 How. 539; *Clum v. Brewer*, 2 Curtis, 520. The assignment to Buell does not contain

any stipulation for an interest in any extended term that might be acquired by the patentee under the acts of Congress. The words in the granting clause are, "all the right, title, and interest I have in said letters-patent," &c. Referring to the previous recitals in the deed to find the meaning of "said letters-patent," we find the recital to be, that, "Whereas, Nathaniel Gear, of Zanesville, Ohio, did obtain letters-patent of the United States for a machine for turning or cutting irregular forms, which letters-patent bear date the eighth day of November, 1853. And whereas, John M. Buell is desirous of purchasing from me an interest therein." Thus far in the granting part of the deed, or in the previous recitals, there is nothing which can with any show of reason be claimed to apply to any thing but the term of the patent for fourteen years from the eighth day of November, 1853. The grantor's interest in this patent for the State of Massachusetts was the subject-matter of the grant. Unless certain words in the *habendum* clause can be construed as extending the contract to a subject-matter not before embraced or referred to in the recitals or granting portions of the deed, there can be no doubt as to the intention of the parties. The *habendum* is to Buell and his assigns, "to the full end of the term for which *said letters-patent* are or may be granted, as fully and entirely as the same would have been held and enjoyed by me had this assignment and sale not been made." The claim that the interest in the extended term, either legal or equitable, passed by the deed is based upon these words in the *habendum* clause alone. If the thing granted be only in the *habendum*, and not in the premises of the deed, the deed will not pass it; and, therefore, if a man grant Black Acre only in the premises of a deed, *habendum* Black Acre and White Acre, White Acre will not pass by this deed. Shep. Touch. 76. The words "may be granted" must be construed with reference to what precedes them. If not loosely used without any reflection, they may refer to reissues of the patent. As the reissued letters which might be granted would be for the same term as "the said letters-patent," such might be referred to by the words "to the full end of the term for which said letters-patent are or may be granted," as the letters-patent which had been, and the reissues which might be, granted would be for the same term, and that the term described in the previous parts of the deed. An assignment very similar in form to

this one has been construed not to carry the interest in the extended term, in a very carefully considered opinion of Judge Sawyer, in the case of *Jenkins v. The Nicolson Pavement Co.*, in the Circuit Court of the District of California, not yet reported.

Defendants also claim that complainants have licensed and authorized the defendant Grosvenor to make and vend the invention of Nathaniel Gear in the territory of Massachusetts and New York, and have openly encouraged and silently acquiesced in the construction and sale of his machines in those States by both respondents, by printing and circulating hand-bills and documents signed by them, setting forth that he had the right to construct and vend said invention in those States.

The right in the extended patent for the State of New York is not owned by these complainants. So much of the evidence in the case as relates to alleged infringements in the State of New York may be laid out of the case.

It appears that at one time Grosvenor, having obtained an interest, under the Massachusetts Molding, Wood-Cutting, and Turning Company, in the original patent for the State of Massachusetts, supposed that he had thereby acquired an interest in the extended term. The complainants so far acquiesced, at one time, in this construction of the conveyances, as to issue certain circulars, which are introduced in evidence, and which do so far admit that complainants have not the exclusive right for Massachusetts that they would, in the judgment of this court, estop the complainants from prosecuting as infringers any persons who, with knowledge of those circulars and acting upon the admissions therein made, had, upon the faith of those admissions, placed themselves in a condition to be injured by allowing those admissions to be disproved. This would be a defence to a purchaser in Massachusetts under Grosvenor, who purchased and used a machine, acting and relying upon the admission of the complainants. Whether it would avail the defendants, would depend upon the question, whether the acts relied upon to prove infringements by them at any given time, were after and in consequence of these admissions, and also in reliance upon them, and before they had notice that they were recalled and withdrawn. The defendants were certainly aware in 1869 that complainants claimed the entire interest and title in the extended term for the

State of Massachusetts. The letters of Grosvenor of March 28, and of Lawrence of Sept. 17, 1869, preclude any presumption that they were then acting under any supposed license, encouragement, or acquiescence of the complainants.

The answer alleges that Nathaniel Gear was not the first and original inventor of the thing patented. Defendants rely upon alleged prior knowledge and use by Hazard Knowles, as described in his letters-patent granted April 17, 1849; and prior knowledge and use by J. M. Doe, at Cambridge, Mass.; by Levi Haywood, at Erving and at Gardner, Mass.; and also prior knowledge and use at Princeton, Mass.

Careful examination of the evidence has satisfied me that J. M. Stuart, who testifies to the use of Exhibit I at Princeton, is mistaken as to time, and that this cutter-head could not have been used at the time he supposes, nor in fact at any time prior to the date of N. Gear's patent. The invention described in the letters-patent to Levy, assignee of Hazard Knowles, for a tonguing, grooving, and molding machine, clearly did not anticipate the invention of Gear. The round cutter-heads in the Knowles machine had no use except to support the cutters, and did not, like the cutter-head in the Gear machine, serve as a guide or direction to the form or pattern carrying the material to be dressed.

There is much more difficulty and doubt attending the decision on the question of novelty as affected by the evidence in relation to the alleged prior use by J. M. Doe and Levi Haywood. In relation to the prior use of cutter-heads substantially like those claimed in the Gear patent by Doe and Haywood, there is, especially in Haywood's case, a vast mass of contradictory and irreconcilable testimony. Long and patient and careful examination of this evidence shows the utter impossibility of reconciling the conflicting statements, or of avoiding the conclusion that on one side or the other the witnesses were testifying to matters not within their knowledge or recollection. It would be useless to spread upon the pages of this opinion an analysis which I have carefully made of the many hundred pages in the record devoted to this portion of the evidence. Upon this point I need only state the conclusion to which I have come, not without some hesitation, and some regret that in a case like this of conflicting and contradictory statements from the respective witnesses, the judgment of the court could not have been aided by actual presence before the court of the witnesses on the stand. The com-

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plainants are entitled to the benefit of the presumption arising not only from the grant itself, but its unimpaired existence during the original term and its subsequent extension; the burden is upon those seeking to overthrow it for want of novelty, to satisfy the court upon that issue; especially in a case like this, where the parties have exercised rights under the patent, and claimed interests in it in the original as well as the extended term, and now rely upon evidence as to transactions occurring seventeen or eighteen years before the giving of the testimony, to impeach the patent. Under these circumstances the court ought to be fully convinced by a clear preponderance of evidence before declaring a patent void on the ground of prior knowledge and use. The evidence fails to produce a conviction in my mind that, prior to the date of N. Gear's patent, there was either in the shop of Doe at Cambridge, or of Haywood at Erving or Gardner, or elsewhere, any cutter-head in use embracing the invention described in the claim of that patent.

*Decree for injunction and account.**

B. R. Curtis, T. L. Livermore, for complainants.

B. F. Butler, Marshall & Rice, for defendants.

MARCH, 1873.

GEORGE C. ROBERTS v. JOSEPH BUCK, Jr.

In a suit in equity to restrain infringement of letters-patent, evidence to show want of novelty in the patented invention, which is not admissible for want of proper notice of such defence in the answer, is not made admissible by a subsequent amendment of the answer setting up the defence in due form.

The patent originally granted D. W. C. Sanford Nov. 13, 1855, reissued April 21, 1869, for an improvement in refrigerators, held invalid for want of novelty in the invention described and claimed.

SHEPLEY, J. This is a bill in equity to recover profits and damages for alleged infringement of letters-patent granted to

[* On rehearing, after decision of *Nicolson Pavement Co. v. Jenkins*, 14 Wall. 452, this decree was revoked and the bill dismissed; it appearing by an assignment in evidence, but not referred to at the first hearing, that the patentee, Gear, had, before patent granted, conveyed to one Scott, who still held the same, all his right, title, and interest in the invention for the State of Massachusetts, *habendum* to the full end of term for which "letters-patent are or may be granted;" and there being no evidence of infringement by the defendants except in the State of Massachusetts.]

D. W. C. Sanford Nov. 13, 1855, reissued April 21, 1857, and extended Oct. 21, 1869, for an improvement in refrigerators, the interest in the letters-patent being now owned by the complainant.

The principal question in the case is as to the novelty of Sanford's invention.

A preliminary question arises, and must first be determined, on the motion to amend the answer. Evidence had been taken in the case; of the caveat of A. S. Lyman in 1852, of the grant of a patent to him in 1856, and as to the use of the Lyman patent before the date of the invention by Sanford. The answer was defective in not naming the caveat, or the grant of letters-patent to Lyman, or in stating, as required by the act of 1870, sect. 61, *by whom* the alleged invention of Lyman had been used. A motion was made to amend the answer to let in this evidence. The court ruled, correctly, that such amendment would not make that testimony admissible which was taken under objection before the answer was amended. When the evidence was taken which was inadmissible under the answer as it originally stood, the adverse party had a right to rely upon his objection, and elect not to cross-examine or offer rebutting proofs. Parties agree, however, in this case, if the court decides to grant the amendment, that the testimony taken before the allowance of the amendment may be considered as in the case to the same extent as if taken under the amended answer. Considering that the omission in the answer was evidently by inadvertence of the counsel in New York, and that the complainant is not taken by surprise, under all the circumstances of the case the amendment is allowed upon terms; but as it was offered at so late a stage of the proceedings in the cause, the defendant is not in any case to recover costs up to the time of the hearing of the case.

The claims in the Sanford patent have been fully and clearly construed by the court in the case of *Roberts v. Harnden*, 2 Cliff. 503. Upon a careful examination of the evidence in this case, I am of opinion that the conclusion of Judge Blatchford in the case of *Roberts v. Dodge*, in the Second Circuit and Southern District of New York, is correct, that the inventions of Sanford and the claims of his patent are fully anticipated on the point of novelty by the refrigerators constructed under

Lyman's direction at the Novelty Works in New York in 1854. These refrigerators, including also exhibit Hadden No. 1, contain the combination of elements named in Sanford's first claim. There are some slight structural differences. The elements of the combination are somewhat modified in their form, but the combination of the same elements produces in substance all the results, and the same results, claimed by Sanford.

Bill dismissed, without costs.

Thomas A. Jenckes, and Morse, Stone, & Greenough, for complainant.

Causten Browne, Jabez S. Holmes, for defendant.

MARCH, 1873.

JABEZ A. SAWYER *et al.* v. EDWARD TURPIN *et al.*

A mortgage given by a debtor to his creditor within four months before the debtor's petition in bankruptcy, in exchange for a deed of the same property given to the creditor more than four months before the petition, is valid against the debtor's assignees in bankruptcy, although the deed has not been recorded, and no possession under it been taken, before the exchange.

A mortgage held void as against the assignees in bankruptcy of the mortgagor; it having been given within four months before his petition in bankruptcy, he being then insolvent, to a creditor who had reasonable cause to believe him to be insolvent.

APPEAL in bankruptcy from a decree of the District Court of Massachusetts. The case is stated in the opinion.

J. G. Abbott, Benjamin Dean, for appellants.

Joshua D. Ball, for appellees.

SHEPLEY, J. This is an appeal from so much of the decree of the District judge as directed the complainants to pay over to the respondents, Novelli & Co., the proceeds of the sale under order of court, of a certain building described in the bill of complaint as situated on the northerly side of Exchange Street in Lynn.

Certain real estate had been mortgaged by Jeremiah C. Bacheller, a bankrupt, whose assignees are the complainants, on the twenty-seventh day of July, and the personal property, being the building above described, on the thirty-first day of July, to

the defendant Turpin, for and in behalf of the other defendants, Novelli & Co. These mortgages were given as collateral security for a debt due Novelli & Co. from the bankrupt. They were given within four months of the filing of the petition on the 22d of October, on which Bacheller was declared bankrupt. The District Court found upon the evidence, that, at the date of these conveyances, Bacheller was insolvent, and that the defendants had reasonable ground to believe him to be so. On this ground, the Court decided that the conveyance of the real estate mortgaged on the 27th of July was void, and ordered the proceeds of the sale of that property to be paid to the assignees. Upon examination of the evidence, we see no reason to doubt the correctness of this portion of the decree, or the accuracy of the conclusions upon which it is based.

If the chattel mortgage had been given under like circumstances and upon similar considerations, the same consequences would have followed. The chattel mortgage differs from the mortgage of the real estate, in the fact that it was given in substitution for a deed of the same property which had been received prior to June 9, and more than four months before the filing of the petition in bankruptcy. It is well settled, that an exchange of security, even after the debtor is known to be insolvent, is perfectly valid, if the creditor, by the exchange, receives no more in value than he gives up. *Stevens v. Blanchard*, 3 Cush. 169. It is argued, that, as the deed surrendered in exchange for the mortgage of the same property had not been recorded, and no possession had been taken under it before the exchange of securities, the rights of the creditor must be determined upon the state of facts as they existed when he took the mortgage of July 31, and not at the date of the absolute deed of May 15, which he surrendered.

The deed was valid as between the parties, without possession or record. Gen. Stats. of Mass., chap. 151, sect. 1. He might have taken possession any moment, or have recorded it at any time before the exchange of securities. The deed he surrendered before record was as good as the mortgage he received before that was recorded. He obtained no other or greater security than he gave up. He could have recorded either of them, and have perfected his rights as against creditors before any rights of creditors had intervened; and no rights of creditors had inter-

vened when the exchange was made. The grantee does not appear to have been benefited in a pecuniary way, or the general creditors injured, by the exchange, and there was consequently no unlawful preference.

Decree of District Court affirmed.

JUNE, 1873.

R. A. WILLS *et al.* v. THOMAS RUSSELL.

The value of an import is determined by the appraisal, and the duty fixed by law must be assessed by the collector upon the value so determined.

ACTION against the collector of Boston to recover duties paid by the plaintiffs under protest. The case was heard on an agreed statement of facts, the material parts of which appear in the opinion.

C. L. Woodbury, for plaintiffs.

George P. Sanger, P. Cummings, for defendant.

SHEPLEY, J. Plaintiffs imported into the port of Boston one hundred and thirty bales of gunny-cloth, subject to the duty provided by the twenty-first section of the act of July 14, 1870.

This section imposed a duty of two cents per pound on gunny-cloth valued at seven cents or less per square yard, and three cents per pound when valued at more than seven cents per square yard. The gunny-cloth was invoiced and entered at a value less than seven cents per square yard. In due course, and in conformity with law and treasury regulations, the invoice was sent by the collector to the United States appraiser for his report. The appraiser returned his report that the invoice was correct, and valued the gunny-cloth under seven cents the square yard. By order of the collector it was reappraised with a like result. The collector not being satisfied with the appraisal, acting upon other information which he supposed would justify his action, exacted a duty of three cents per pound; this duty the plaintiffs paid, duly protesting against the payment, and in due time, and in accordance with law, brought this action to recover the extra one cent per pound.

The statute gives the collector the right to order the appraisers

to make a re-appraisement. It gives the importer the right to appeal to a new board of appraisers. The appraisement determines the value of the import. The collector determines the rate of duty fixed by law, and assesses it upon the value as found by the appraisement.

The collector cannot substitute his own appraisal in lieu of the one found by the legislative referees, the appraisers. The excess of duty exacted in this case was on an assumed value, which the collector was not authorized by law to make the basis of the duty. The importer was entitled to his goods on the payment of the duty on the appraised value; and, according to the agreed statement of facts, judgment is to be entered for the plaintiffs for the amount of the excess in gold, with interest and costs.

Judgment for plaintiffs.

AUGUST, 1873.

ENOCH BARTLETT, Claimant, Appellant, v. SHELDON WILLIAMS
et al., Libellants.

A schooner on the starboard tack overtook, and passed a short distance to leeward of, a brig, and when three or four lengths in front came in stays, which brought her across the bows of the brig, and rendered a collision inevitable. Just before actual collision the course of the brig was changed about a point. *Held*, 1. That the schooner was in fault for coming in stays under such circumstances. 2. That the brig was not in fault for changing her course, according to the best judgment of the master, after the collision had become inevitable through the fault of the schooner.

ADMIRALTY appeal from a decree of the District Court of Massachusetts awarding damages to the appellees in a case of collision. The facts are stated in the opinion.

R. H. Dana, Jr., S. J. Thomas, for appellant.

J. C. Dodge, for libellants.

SHEPLEY, J. I find the facts in this case to be that the brig Richard and Torrey, the property of the libellants, on the 7th of July, 1871, was in the Vineyard Sound on a voyage from Calais, Me., to Providence, R. I. The schooner William G. Bartlett, on the same day, was passing through the Sound, bound for Philadelphia. The weather was clear. The wind was ahead for vessels passing through the Sound to the westward. Before the

collision, both vessels were beating, and both had been for some time on the starboard tack. The schooner had been astern of the brig, but she outsailed her, and overtook and got ahead of her. She, by reason of her rig, would lay a point nearer the wind than the brig, and worked to windward faster than the brig. The schooner passed the brig on her lee (port) side ; and, after passing her a short distance, not probably more than four or five times her length, came in stays. This brought the schooner across the brig's bows, and made the collision inevitable. When the schooner tacked, if she saw the brig (about which there is much conflict in the testimony), she evidently intended to retain the advantage she had gained in distance, and to pass to the windward in a course which brought her across the bows of the brig. It is contended on the part of the schooner that she intended to go to the leeward and under the stern of the brig, and that the brig changed her course and fell off, and that, if the brig had kept her course, she would have ranged ahead of the schooner, and the collision would have been avoided.

I am not able, upon a careful review of the testimony, to come to this conclusion. The brig's wheel was put hard up immediately before the collision, and the brig fell off about a point ; but this was not done until the collision would have been inevitable if the brig had kept her course. The schooner had wrongfully come in dangerous proximity to the brig, and across her bows. There was no time for deliberation. The course adopted was supposed to be the most judicious one under the circumstances ; and if it were not so, as the order was given in the exercise of the best judgment of the master, and if he had kept his course there was no reasonable ground to believe the schooner would have passed her, I do not think, on the best consideration I am able to give the testimony, that the brig should be adjudged in fault ; although I do not wish to give countenance to any relaxing of the rule, that the vessel whose duty it is to keep her course should not change it before a collision is inevitable. At the time of the change of the course by the brig, the schooner was in stays, and could not change her course, because she had no headway. She was helpless ; and the brig saw that all that could be done to avoid the collision must be done by the brig.

Decree of District Court affirmed, with interest from date of decree, and costs.

AUGUST, 1873.

MICHIGAN CENTRAL RAILROAD COMPANY v. CHARLES W. SLACK.

The penalty of one hundred per cent on re-assessment of an internal revenue tax, under the act of March 2, 1867 (13 Stats. 480), for false and fraudulent omission of taxable property from the return to the assessor, cannot be lawfully collected, if the re-assessment includes a sum not legally taxed.

Under the act of March 2, 1867, it is a pre-requisite to the lawful collection of the penalty of one hundred per cent in addition to the internal revenue tax as re-assessed according to that act, for false and fraudulent omission from the return of taxable property, that the assessor should determine that the omission was false and fraudulent, and adjudge the penalty to have been incurred. A penalty added by the assessor only on the order of his superior officer, and not as the result of his own finding upon the facts, is not legally added, and cannot lawfully be collected.

ACTION to recover an internal revenue tax, and penalty, assessed upon the plaintiff corporation, and paid under protest. The facts of the case are stated in the opinion.

S. Bartlett, F. W. Palfrey, for plaintiff.

F. W. Hurd, for defendant.

SHEPLEY, J. The assessor of internal revenue for the third district in Massachusetts, in accordance with the provisions of the act of March 2, 1867 (13 Stats. 480), after a return had been made by the treasurer of the Michigan Central Railroad Company, re-assessed the company on sundry items not returned by them for assessment, and which, under advice of counsel, the treasurer had, in good faith apparently, supposed were not subject to the tax. There was no concealment on the part of the company or the treasurer, as the facts upon which the assessor made his re-assessment were obtained by him from the reports of the company, which were publicly printed and widely distributed.

After examining the items on which the re-assessment was made, I see no reason to doubt the legality of any of the items except the one of \$1,722.93, assessed as tax on the surplus fund of the company for the year, after deducting operating expenses and interest account, and dividends, and contributions to the sinking fund, and other items properly to be deducted from the gross earnings, before determining the amount on hand as surplus earnings for the year. But, in arriving at the result, the assessor omitted to deduct the tax already paid by the company on pas-

sengers and mails. Deducting this amount, there would be no surplus beyond that on which the company had already paid the tax. The re-assessment was for \$12,772.09, which included the sum of \$1,722.93 on surplus, for which the company was not legally liable on the re-assessment; and, by direction of the Commissioner of Internal Revenue, an additional sum of \$12,772.09 was assessed and collected, as a penalty for a false and fraudulent return. This penalty was illegally collected, for two reasons: *First*, The penalty is for the gross sum of \$12,772.09, being one hundred per cent on \$12,772.09, when \$1,722.93 should be deducted, leaving only \$11,049.16 to be re-assessed, and a like sum to be added as penalty; namely, a penalty of \$11,049.16, instead of a penalty of \$12,772.09. The penalty being in one sum, and bad in part, is bad in the whole. *Second*, The evidence shows that the assessor did not determine that the omission was false and fraudulent, and therefore adjudge the penalty to have been incurred. He added the penalty only on the order of his superior officer, and not as the result of his own finding upon the facts of the case. He appears to have arrived at the conclusion that the omission was not false and fraudulent; and I see no reason to doubt the correctness of his conclusion. The act of adjudging the omission to have been false and fraudulent was a *quasi* judicial act, to be performed by the assessor himself; and as he never so adjudged it, but only added the penalty under orders from his superior officer, the penalty was not legally added, and was not collected by authority of law.

Judgment for the plaintiff for the two sums of \$12,772.09 and \$1,722.93, with interest from the date of payment.

AUGUST, 1873.

CHAUNCEY PAGE *et al.*, Appellants, v. G. C. MUNRO *et al.*,
Libellants.

Unreasonable delay in the delivery of a cargo is no defence to a libel for the freight, without proof of damage to the defendant by reason of such delay.

ADMIRALTY appeal from a decree of the District Court of Massachusetts. The case is stated in the opinion.

Benjamin Dean, for appellants.

D. Thaxter, Sidney Bartlett, for libellants.

SHEPLEY, J. This is a libel *in personam* to recover freight according to the bill of lading on a cargo of yellow pine lumber shipped by Edward Kidder & Sons at Wilmington, to be delivered at Boston to defendants upon payment of freight at the rate of ten dollars per thousand feet. The lumber arrived and was delivered to the defendants in good order.

In defence, the answer sets up a verbal agreement to receive and load this particular cargo, and alleges that this contract was made under a false representation. The amended answer alleges unreasonable delay in the delivery in consequence of unnecessary and culpable delays of the vessel in Port Norfolk; and that she failed to make quick despatch because she was sent to sea with rotten, old, and unseaworthy sails, and was delayed unreasonably thereby; and that the master so negligently and carelessly conducted the voyage that the vessel was greatly delayed.

It is not necessary to consider the evidence upon the issue of unreasonable delay in the delivery of the cargo, for there is no evidence in the case that sufficiently establishes the proof of any resulting damage to the defendants by reason of such delay.

The general rule is, undoubtedly, that the carrier who unreasonably delays to deliver merchandise, such as is ordinarily bought and sold in the market, is responsible for a fall of price; and the measure of damages is the difference in the market value at the time of the actual delivery and the time when the merchandise by reasonable diligence should have been delivered. *The Success*, 7 Blatch. 551. The defendants allege in their answer that there was such a fall in price and depreciation in the value of the lumber. They have proved only that they lost the sale of a portion of the lumber to the parties to whom they had contracted to sell. But they have not attempted to prove that the lumber was not as valuable when they received it as when they expected it. The libellants have proved that there was no depreciation in the market value. The evidence does not negative the hypothesis that the defendants may have made a profit by the delay. The decree of the District Court was on the ground that there was no proof of actual damage; and the defendants have not availed themselves of the opportunity afforded them by the appeal to supplement the evidence on this point by proof of actual depreciation of value.

Decree of District Court affirmed, with interest and costs.

AUGUST, 1873.

JOHN KENDRICK v. THOMAS A. EMMONS.

The device for gauging the size of the eye in the machine for making weaver's harnesses, described in the English patent to Ellis and Sladden, dated Jan. 15, 1864, No. 117, infringes the third and fourth claims of the patent originally granted Joseph S. Winsor Jan. 2, 1855, reissued Feb. 11, 1873, for an improvement in machines for making weaver's harnesses.

SHEPLEY, J. This is a motion for a preliminary injunction by the assignee of the reissued patent No. 5282, dated Feb. 11, 1873, for an improvement in machines for making weaver's harnesses, the invention of Joseph S. Winsor, of Providence. The defendant uses machines constructed substantially in accordance with the English patent granted to James Ellis and Joseph Sladden the twelfth day of July, 1864, dated the 15th of January, 1864, and numbered 117, for the year 1864. The original Winsor patent was dated Jan. 2, 1855; extended for seven years, and reissued, as above stated, in 1873.

Infringement is claimed of the third, fourth, and eighth claims of the reissued patent. The two machines are each marvels of mechanical ingenuity and invention. As a whole, the English machine is clearly not substantially the same as the Winsor machine in construction or mode of operation. The harness produced by the English machine is, as a whole, a substantially different manufacture from that produced by the Winsor machine. But in the Winsor machine there is a device called "fingers," which are located between the side bands to which the heddles are attached; the office of the fingers being to gauge the size of the eye or loop of the harness. These fingers are two pointed rods of metal, around each of which a half knot is tied, and the size of the eye or loop is determined by the distance by which the fingers are separated from each other. The bifurcated plate in the English patent, as well as the two rods substituted for it, and performing the same office as the bifurcated plate, accomplish in substantially the same manner and for substantially the same purpose what is accomplished by the fingers operating in the Winsor machine to gauge the size of the eye. As described in the English patent, this "fork then drops in betwixt the yarn on each side of the

noose, and which sets and holds the noose to its proper size and position, until the yarn is again drawn out to the lappers." And in another place in the patent reference is made to "a noose which the fork takes hold of and retains it until another draw-out of the yarn is effected, and another noose is formed in like manner, and so on."

The two machines were operated in the presence of the court, and, from inspection of the respective machines in operation, the court is of opinion that the device in the English patent, which is described as a fork, bifurcated plate, or retainer, is an infringement of the third claim in the Winsor patent, which claims "the fingers located between the side bands and operating to gauge the size of the eye." As this device in the English machine is used in combination with mechanism which operates to tighten or draw up the twine, out of which the next heddle is formed, the fourth claim of the reissued patent is also infringed.

Injunction to issue, unless defendant will give bond to account for such profits and damages as may be ascertained by final decree, and render into court the usual account of manufacture and sales.

Order accordingly.

B. F. Thurston, W. W. Swan, for complainant.

A. K. P. Joy, for defendant.

AUGUST, 1873.

THE FLORENCE SEWING-MACHINE COMPANY v. THE GROVER
& BAKER SEWING-MACHINE COMPANY *et al.*

Under the act of March 2, 1867 (14 Stats. 558), a suit brought in a State court may be removed to the United States Circuit Court, by a defendant who is a citizen of a different State from that in which the suit is brought, although there are other defendants who are citizens of the State in which it is brought.

MOTION by the plaintiff to dismiss a suit at law for want of jurisdiction. The plaintiff was a citizen of Massachusetts; of the defendants, one was a citizen of Massachusetts, one of Connecticut, and one of New York. The suit was originally brought

in the Supreme Judicial Court of the State of Massachusetts, whence it was removed and entered in this court by the foreign defendants, under the act of Congress of March 2, 1867 (14 Stats. 558), which provided for removal of suits "in which there is controversy between a citizen of the State in which the suit is brought and a citizen of another State." All the formal proceedings for the removal and entry in this court, required by the act of 1867, had been duly taken, and the only question on this motion was, whether or not that act applied to a suit in which a citizen of the State in which the suit was brought was defendant together with non-resident defendants. Petitions of the foreign defendants for removal of the suit had previously been denied by the Supreme Judicial Court of Massachusetts.

E. R. Hoar, A. L. Soule, for plaintiff.

The case has not been properly removed from the State court.

I. The act of March 2, 1867, applies only to cases in which all the plaintiffs are citizens of one State, and all the defendants are citizens of some other State or States. The act provides for removal of a suit "in which there is controversy between a citizen of the State in which the suit is brought and a citizen of another State."

Under the act of Sept. 24, 1789 (1 Stats. 73), sect. 12, the language of which is, "If a suit be commenced in any State court . . . by a citizen of the State in which the suit is brought, against a citizen of another State," &c., it has been uniformly held, that, to authorize a removal, all the defendants must be citizens of some other State, or States, than that in which the suit is brought. *Strawbridge v. Curtiss*, 3 Cranch, 267; *New Orleans v. Winter*, 1 Wheat. 91; *Hubbard v. Northern R. R. Co.*, 3 Blatch. 84; *Moffat v. Soley*, 2 Paine, 103; *Beardsley v. Torrey*, 4 W. C. C. 286; *Com. Bank v. Slocomb*, 14 Pet. 60; *Irvine v. Lowry*, 14 Pet. 293; *Wilson v. Blodget*, 4 McLean, 363; *Bank v. Willis*, 3 Sumn. 472; *Coal Co. v. Blatchford*, 11 Wall. 172.

And where there are several defendants, all must join in the petition. *Smith v. Rines*, 2 Sumn. 338; *Beardsley v. Torrey*, 4 W. C. C. 286.

The same doctrine as to removal has been laid down under the act of 1867. *Cooke v. State Nat. Bank*, 1 Lans. (N. Y. Sup. Ct.) 494; *Peters v. Peters*, 41 Ga. 242; *Ex parte Andrews*, 40 Ala. 639; *Bliss v. Rawson*, 43 Ga. 181; *Case v. Douglas*,

1 Dill. C. C. 299; *Bixby v. Couse*, 8 Blatch. 73; *Bryant v. Rich*, 106 Mass. 180; *Florence Sewing-Machine Co. v. Grover & Baker Sewing-Machine Co.*, 110 Mass. 1.

II. If the act is to be construed as applying to a case in which one of the defendants and the plaintiff, are citizens of the State in which the suit is pending, it is submitted that the act is unconstitutional. It provides for the removal of the whole cause, with all the parties. But by the Constitution (art. 3, sect. 2) the judicial power extends only, in this behalf, to controversies *between citizens of different States*.

The construction claimed by the defendants presupposes a jurisdiction in the United States courts, of controversies between citizens of the same State; and a power in those courts to oust the State court of jurisdiction in controversies between citizens of the State, at the request of citizens of some other State, even against the will of both plaintiff and defendant, citizens of the State in whose court the suit is instituted.

The construction of the judiciary act, sect. 11, by the United States Supreme Court, is the construction of language substantially the same.

B. R. Curtis, J. G. Abbott, Elias Merwin, for defendants.

The suit was brought by a citizen of this State; the petitioning defendants were citizens of another State; the matter in dispute, exclusive of costs, exceeded five hundred dollars; and the necessary petitions, affidavits, and bonds were made and filed before the trial. All the requirements of the United States statute were thus apparently fulfilled.

I. The United States statute of 1867 in question was designed to, and does in terms, clearly provide for the removal of suits, for cause, upon the petition of a foreign defendant, although there are other parties defendant who are citizens of the State where the suit is brought. This is apparent from the language of the act itself, and from the previous legislation upon this subject.

The judiciary act, chap. 20, sect. 12, confined the right of removal to suits commenced "by a citizen of the State in which the suit was brought against a citizen of another State;" and also required that the petition for removal should be filed by the defendant at the time of entering his appearance.

This provision applied only to a suit between a citizen of the State in which the suit was brought and a citizen of some other

State, and did not apply to a case where a resident defendant was also a party.

The act of 1866, chap. 288 (14 Stats. 306), for the first time, made provision for the removal of a suit to the Federal court by a non-resident defendant, although a citizen of the State where the suit was brought was also a defendant therein.

That act made two changes in the previous law : 1. It allowed the cause to be removed to the Federal court so far as the non-resident defendant was concerned, "if the suit was one in which there could be a final determination of the controversy, so far as it concerned him, without the presence of the other defendants as parties in the cause," but left the suit in the State court, so far as it related to the resident defendant ; and, 2. It allowed the petition for removal to be filed at any time before the trial, instead of requiring it to be filed with the defendant's first appearance, as in the judiciary act.

To provide what was supposed to be a more impartial tribunal for non-resident defendants in every case, Congress passed the act of March 2, 1867, to supply the obvious deficiencies of the statute of 1866, and to allow a non-resident to remove the cause to the Federal tribunal, whenever he had reason to believe that, from prejudice or local influence, he would be unable to obtain justice in the State courts, although there were other co-defendants who were residents of the State in which the suit was brought.

The statute of 1867 cannot be confined to those cases where non-residents are the only defendants, without violating its language and intent.

(a.) It is an act "*to amend the act of 1866.*" The purpose of the act of 1866 was to provide for a removal of suits in behalf of non-resident defendants in those cases in which *resident* parties were also defendants. The obvious purpose of the statute of 1867 was to add another case to those which might be removed by non-resident defendants, although resident parties were also defendants. Neither the act of 1866, nor the judiciary act, sect. 12, is repealed by the statute of 1867. All subsist, and each provides for a distinct case.

(b.) Under statute of 1789, sect. 12, non-residents (if the only parties defendant,) can now remove a case to the Federal tribunal, under the provisions of that act, without affidavit, and without

the cause of local prejudice. If the statute of 1867 is also to be confined to the same class of cases (where all the defendants are non-residents), then, as it requires cause and affidavit for removal, it is a restriction upon the right of removal as originally given by the statute of 1789,—a result which is obviously absurd.

(c.) The peculiar phraseology of the statute of 1867 fairly admits of no other interpretation. The language is, that “when a suit is now pending, or may hereafter be brought, in any State court, *in which there is controversy between a citizen of the State in which the suit is brought and a citizen of another State,*” &c.

The language of the statute of 1789 was, “if a suit be commenced *by a citizen* of the State, &c., against a citizen of another State,” &c.; but here the striking phrase is, “where a suit is now pending . . . *in which there is controversy between a citizen,*” &c.

It is enough, however the parties may be distributed as to citizenship, if in the suit there is controversy between a citizen of one State, as plaintiff, and a citizen of another, as one of the defendants. The statute does not limit the right of removal to the case where a citizen of one State, as plaintiff, and the citizen of another State, as defendant, are the only parties to the controversy. Stat. 1868, chap. 255, sect. 2 (15 Stats. 226); *Johnson v. Monell*, Woolw. 390; *Fields v. Lamb*, Deady, 430; *Sands v. Smith*, 1 Dill. 290. The decision of Blatchford, J., in *Bixby v. Couse*, 8 Blatch. 73, and other similar decisions, proceed upon the mistaken assumption that the statutes of 1789 and 1867 are substantially alike, overlooking the radical change which the latter statute makes, and was intended to make.

II. The Constitution provides (art. 3, sect. 2, part 1) that “the judicial power shall extend to . . . controversies between citizens of different States.” The constitutional right of the non-resident to have his controversy determined in the forum contemplated by the Constitution cannot be defeated by the fact that others not entitled to go into that forum have been joined with him. *Fisk, v. Union P. R. R.*, 8 Blatch. 243; *Osborn v. Bank U. S.*, 9 Wheat. 738; *Railway Co. v. Whitton’s Adm’r*, 13 Wall. 270; *Lexington v. Butler*, 14 Wall. 282.

SHEPLEY, J. The second section of the third article of the Constitution extends the judicial power of the United States to

controversies "between citizens of different States." There are no words in this grant of judicial power restricting it to controversies in which citizens of different States *are the sole parties*. Nor are there to be found any words of limitation which would deprive Congress of the power to confer upon the Federal courts jurisdiction over a judicial controversy between citizens of different States arising in a suit or case, although all the persons constituting the party on one side of the case were not citizens of States different from the States of which the persons composing the other party to the suit or case were citizens. The judicial controversy contemplated by the Constitution is not limited to one in which citizens of different States are *exclusively* interested. The grant of jurisdiction is not over "suits" or "cases" between citizens of different States, but over "*controversies*" between citizens of different States. Whenever, therefore, a case or suit is pending, in which there is involved a judicial "controversy" between citizens of different States, the case is one coming clearly within the terms of the constitutional grant of judicial power, although in the same case there may be a controversy between citizens of the same State. In all the debates in the convention which framed the Constitution, it seems to have been admitted by all the members of the convention that the jurisdiction of the national judiciary should embrace every subject which might endanger the national peace, by reason of the relations of the respective States to each other, and of their citizens to the citizens of other States. Before the conclusions of the convention had been reduced to the form of a written constitution, a resolution had unanimously passed the convention, "That the jurisdiction of the national judiciary shall extend" (among other things) to "questions which involve the national peace or harmony."

"Nothing," says Mr. Justice Story, "can conduce more to general harmony and confidence among all the States than a consciousness that such controversies are not exclusively to be decided by State tribunals, but may, at the election of the party, be brought before the National tribunals." "And if justice should be as fairly and as firmly administered in the former as in the latter, still the mischiefs would be most serious, if the public opinion did not indulge such a belief. Justice, in cases of this sort, should not only be above all reproach, but above all suspicion. The sources of State irritations and State jealousies are suffi

ciently numerous, without leaving open one so copious and constant as the belief or dread of wrong in the administration of State justice." "Probably (he subsequently remarks) no part of the judicial power of the Union has been of more practical benefit, or has given more lasting satisfaction to the people. There is not a single State which has not at some time felt the influence of this conservative power; and the general harmony which exists between the State courts and the National courts in the concurrent exercise of their jurisdiction in cases between citizens of different States, demonstrates the utility, as well as the safety, of the power. Indeed, it is not improbable that the existence of the power has operated as a silent but irresistible check to undue State legislation, at the same time that it has cherished a mutual respect and confidence between the State and National courts, as honorable as it has been beneficent."

This clause in the Constitution was intended to protect citizens of different States from danger of injustice in the State courts, through local influence or prejudice. An interpretation is contended for, which would take from Congress forever the power to legislate so as to bring under its protection citizens of other States, whenever the nature of the controversy required or permitted the joinder with them, as parties, of persons who were citizens of the same States as the person or persons composing the opposite party. Such a construction would manifestly impair the end which the clause was designed to attain. The basis of the Union is in the constitutional provision that "the citizens of each State shall be entitled to all the privileges and immunities of citizens of the several States." It is essential to the upholding of any government that it should possess the power and the means of executing its own provisions by its own authority. To secure the inviolable maintenance of that equality of privileges and immunities guaranteed by the Constitution to the citizens of the Union, it may be necessary, whenever a controversy arises in which one State, or its citizens, are opposed to another State, or its citizens, (whether the controversy be, or be not, *exclusively* confined to different States or the citizens of different States), to commit it to that tribunal, which, having no local attachments, will be likely to be impartial between the different States and their citizens, and which, owing its official existence to the Union, will never be likely to feel any bias inauspicious to

the principles on which it is founded. How far Congress will exercise this power of legislation must depend upon the state of the country, and such considerations as to the necessity for such legislation as have heretofore, or may hereafter, affect its action. Manifestly, thus far, Congress has never deemed it necessary to exhaust the legislative power conferred upon it by this clause of the Constitution. The twelfth section of the judiciary act, (1 Stats. 79), authorized a removal to the Circuit Court of the United States, by a defendant, of any suit commenced in a State court against an alien, or by a citizen of the State in which the suit is brought against a citizen of another State, where the matter in dispute exceeds the sum of five hundred dollars. Under this section, it was held, that a cause could not be removed except upon the petition of *all* the defendants; that to bring the case within the act, *all* the plaintiffs must be citizens of the State in which suit is brought, and *all* the defendants must be citizens of some other State or States. *Smith v. Rines*, 2 Sumner, 338; *Hubbard v. R. R. Co.*, 3 Blatch. 84; *Beardsley v. Torrey*, 4 Wash. 286; *Ward v. Arredondo*, 1 Paine, C. C. 410; *Strawbridge v. Curtiss*, 3 Cranch, 267. These cases all turned on the construction of the words used in the eleventh and twelfth sections of the judiciary act, not on the construction of the clause of the Constitution conferring judicial power. As the eleventh section of the act of Congress, in prescribing the jurisdiction of the Circuit Court, had limited it to cases "where the suit is between a citizen of the State where the suit is brought and a citizen of another State;" and the twelfth section had limited the right of removal to the Circuit Court to a "defendant in any suit commenced in a State court against an alien, or by a citizen of the State in which the suit is brought against a citizen of another State;" the courts held these expressions to mean that each distinct interest should be represented by persons all of whom are entitled to sue, or be sued, in the Federal courts. In the language of Chief Justice Marshall: "That is, where the interest is joint, each of the persons concerned in that interest must be competent to sue, or liable to be sued, in those courts."

The modification of the jurisdiction conferred by the eleventh section, subsequently made by the act of Feb. 28, 1839, it is not necessary here to consider. Then followed the act of July 27, 1866 (14 Stats. 306), entitled "An Act for the removal of

causes in certain cases from the State courts." This act applies to suits "commenced in a State court against an alien, or by a citizen of the State in which the suit is brought against a citizen of another State." It contemplates suits in which the plaintiff is a citizen of the State in which the suit is brought, and in which there are several defendants, some residing in the State in which the suit is brought, and some, either aliens or citizens of a State other than that in which the suit is brought. "If the suit, so far as relates to the alien defendant, or to the defendant who is the citizen of a State other than that in which the suit is brought, is, or has been, instituted or prosecuted for the purpose of restraining or enjoining him, or if the suit is one in which there can be a final determination of the controversy, so far as it concerns him, without the presence of the other defendants as parties in the cause, then, and in every such case, the alien defendant, or the defendant who is a citizen of the State other than that in which the suit is brought, may, at any time before the trial or final hearing of the cause, file a petition for the removal of the cause, *as against him*, into the next Circuit Court of the United States to be held in the district where the suit is pending." Upon the filing of this petition and giving the security required by the statute, the State court is to proceed no further in the cause *as against the defendant so applying* for its removal. But "such removal of the cause, as against the defendant petitioning therefor, into the United States court, shall not be deemed to prejudice or take away the right of the plaintiff to proceed at the same time with the suit in the State court, as against the other defendants, if he shall desire so to do." Before the passage of this act, no removal could be made in the causes to which the act applies, because *all* the defendants were not entitled to petition for removal, and the courts had decided that unless it was removable as to *all*, it was not so as to any. After the passage of the act of 1866, in certain cases the alien, or non-resident, defendant could have the cause removed as to him, while it was allowed to proceed in the State courts as to the resident defendants. But, as in the judiciary act, the right of removal was limited to the alien, or non-resident, defendant, and does not extend to the plaintiff.

Next followed the act of March 2, 1867 (14 Stats. 558), upon which the right of removal in this case is claimed. This

act provides "that where a suit is now pending, or may hereafter be brought, in any State court *in which there is a controversy* between a citizen of the State in which the suit is brought and a citizen of another State, . . . such citizen of another State, *whether he be plaintiff or defendant*, if he will make and file in such State courts an affidavit stating that he has reason to believe, and does believe, that from prejudice or local influence he will not be able to obtain justice in such State court," may have the cause removed to the Circuit Court of the United States. This act purports to be an amendment of the act of July 27, 1866. It differs from all previous legislation of Congress upon the subject of removal of suits in this respect; the previous acts referred to "*suits* between citizens of different States," which expression the courts had construed to be limited to suits in which all the persons constituting the party plaintiff were citizens of other States than those of which all the persons composing the party defendant were citizens, as we have before seen. The act of 1867, for the first time, uses the broader expression of the Constitution, and refers to suits "*in which there is a controversy* between a citizen of the State in which the suit is brought and a citizen of another State." It differs also from the prior acts in relation to removal, by using, as to the plaintiff, the language of the eleventh section of the judiciary act, instead of the language of the twelfth. The plaintiff may or may not be a resident of the State in which the suit is brought, and the right of removal of the suit is given to the non-resident citizen, be he plaintiff or defendant. The change of the form of expression from suits between citizens of different States to suits in which there is a controversy between a citizen of the State in which the suit is brought and a citizen of another State, was evidently made advisedly, and for the purpose of extending and enlarging the right of removal, not of limiting it, as would be the effect if the construction contended for were admitted. The only conditions requisite to the right of removal under the act of 1867 are: that in the suit pending in the State court there shall be a controversy between a citizen of the State in which the suit is brought and a citizen of another State; that the matter in dispute shall exceed the sum of five hundred dollars, exclusive of costs; that the citizen of such other State, either plaintiff or defendant, shall make and file the affidavit required by the statute; and that he

shall give the requisite surety for appearing and entering the case in the Circuit Court at the proper time, with the copies of the papers in the case. *Johnson v. Monell*, 1 Woolw. 390, opinion of Mr. Justice Miller; *Sands v. Smith*, 1 Dill. 290. These requisites to the right of removal all exist, and have been complied with in the present case. The motion to dismiss for want of jurisdiction is therefore overruled.

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Case to stand for trial.

AUGUST, 1873.

THE WASHINGTON MILLS v. THOMAS RUSSELL.

By the sixth section of the act of March 3, 1865 (13 Stats. 493), an additional duty of ten per cent was imposed on certain wools imported from certain places. The first section of the act of March 2, 1867 (14 Stats. 559), provided that from and after the passage of the act, "in lieu of the duties now imposed by law," certain specified duties should be assessed on all unmanufactured wool, &c., "imported from foreign countries." *Held*, that the former act was repealed by the act of 1867; and that after the passage of the latter, only the duty specified in it could be assessed on imported wool.

THIS was an action against the collector of Boston to recover certain duties exacted by him on imported wools, and paid by the plaintiff under protest. The case was heard by the court on an agreed statement of facts, the material parts of which are stated in the opinion.

Charles Levi Woodbury, for plaintiff.

F. W. Hurd, for defendant.

SHEPLEY, J. The Washington Mills imported into Boston from Liverpool, one hundred and sixteen bales wool by steamship *Batavia*, Jan. 27, 1871; twenty-three bales by steamship *Parthia*, Feb. 27, 1871; fifty-seven bales by steamship *Batavia*, March 13, 1871; sixty-eight bales by steamship *Tripoli*, March 30, 1871. The wool was produced in Australia. It was invoiced, and was of less value than thirty-two cents per pound at the last port whence it was exported to the United States. The collector exacted upon all this wool, as duty, ten cents per pound and eleven per cent *ad valorem*, and an additional duty of ten per

cent *ad valorem*, on the ground that it was "of the growth or produce of countries east of the Cape of Good Hope." Plaintiff protested against the payment of this additional duty; and also appealed to the Secretary of the Treasury, who sustained the collector. This action was seasonably brought, in conformity with law, to recover the additional duties thus paid.

The sixth section of the act of March 3, 1865 (13 Stats. 493), provides "that there shall hereafter be collected and paid on all goods, wares, and merchandise of the growth or produce of countries east of the Cape of Good Hope (except raw cotton, and raw silk as reeled from the cocoon, or not further advanced than tram, thrown, or organzine), when imported from places west of the Cape of Good Hope, a duty of ten per centum *ad valorem*, in addition to the duties imposed on any such article when imported directly from the place or places of their growth or production." A similar provision existed in the act of 1864, sect. 18 (13 Stats. 216), with the distinction that raw cotton only was excepted.

Prior to the act of March 2, 1867 (14 Stats. 559), the duties on wool had been assessed on its value at the last port whence exported to the United States, and on wool above a certain value an *ad valorem* duty was assessed in addition to the specific duty. Wool was then also subject to the additional duty of ten per cent *ad valorem* when it was the produce of countries east of the Cape of Good Hope, and imported from places west of the Cape of Good Hope. The act of 1867 greatly increased the duties on wool. It did not do this by imposing additional duties, by name, which should have the quality of being added to duties provided for by former acts and to be ascertained in former modes, but it repealed all prior modes of ascertainment, and substituted an entirely new mode of classification of the wool and ascertainment of the duty. It divided all wools, hair of the alpaca, goat, and other like animals, for the purpose of fixing the duties to be charged thereon, into three classes: *first*, clothing-wool; *second*, combing-wools; *third*, carpet-wool and other similar wools. This classification was made on the basis of the breed of the sheep as known to wool growers and manufacturers, as will be seen by the statute description of "class one," under which the wool in question is classed; "clothing-wool, that is to say, merino, mestiza, metz, or metis wools, or other wools of merino blood, immediate or remote; down clothing-wools, and wools of like character with any of the

preceding, including such as have been heretofore usually imported into the United States from Buenos Ayres, New Zealand, *Australia*, Cape of Good Hope, Russia, Great Britain, Canada, and elsewhere, and also including all wools not hereafter described or designated in classes two and three."

The first section of the act of 1867 provides "that from and after the passage of this act, *in lieu of the duties now imposed by law* on the articles mentioned and embraced in this section, there shall be levied, collected, and paid on all unmanufactured wool, hair of the alpaca, goat, and other like animals, *imported from foreign countries*, the duties hereinafter provided."

The expression "in lieu of the present duties," or "in lieu of the duties now imposed by law," is an expression frequently used in revenue statutes when the intention of Congress is to repeal the duties previously in force and to substitute new rates of duty. No language could more clearly express the intent of Congress; and these terms have come to be considered the peculiarly apt words of revenue repeal. In the case of *Gossler v. Collector of Boston*, May Term, 1867, before Justice Clifford and Judge Lowell, the court say, in allusion to the use of the same terms in a revenue statute, "Terms more explicit and comprehensive could not be employed, and the provision neither contains any exception, nor admits of any, without the necessity of resorting to positive legislation." This is not a case where the rules respecting repeals of a statute by implication are applicable, or can be invoked, to aid in the interpretation of the statute. The repeal of the former act is not by implication, but by express terms of repeal. Had the act of March 2, 1867, simply imposed an additional rate of duty, or provided a new mode of ascertainment of value, without any express words of repeal, the ten per cent discriminating duty provided for by the act of 1865, being a part of the general revenue system, and not positively repugnant to the new enactment, would undoubtedly have continued in force as applicable to wool imported under the conditions described in the sixth section of that act. But when the act of 1867 provided a new tariff of duties on wool "*imported from foreign countries*" "*in lieu of the duties now*" (before that time) "*imposed by law*," it expressly repealed the discriminating as well as the other duties then imposed. A similar policy in relation to wool is continued in force by the third section of the act of

June 6, 1872 (17 Stats. 232), which, re-enacting the ten per cent discriminating duty on goods produced east of the Cape, when imported from places west of it, expressly excepts "wool" from its operation. In the opinion of the court the discriminating duties were illegally exacted. Judgment is to be entered for the plaintiff for the amount paid, four thousand one hundred and seventy dollars and forty cents, with interest in gold, and costs.

Judgment accordingly.

AUGUST, 1873.

JEREMIAH O'CONNOR, Libellant, Appellant, v. SCHOONER
OCEAN STAR, WILLIAM LANG, Claimant.

JEREMIAH O'CONNOR, Appellant, v. WILLIAM LANG, Libellant.

When a vessel is voluntarily stranded for the general safety of ship, cargo, and crew, the loss thereby is a general average loss.

APPEALS in admiralty from the District Court of Massachusetts. That court dismissed the libel of O'Connor, appellant, for contribution from the owners of the schooner Ocean Star, to indemnify him, as owner of her cargo, for damage to the cargo and expenses incurred by him, by reason of alleged wrong and negligence of the master, unnecessary stranding, and unjustifiable deviation; and made a decree in favor of the master of the schooner (Lang), upon a libel brought by him against O'Connor, for a general average contribution for the damage to the vessel, upon the ground that it was caused by voluntary stranding.

The two cases were heard together.

Lathrop, Abbot, and Jones, for appellants.

Frank Goodwin, for appellees.

SHEPLEY, J. The schooner Ocean Star sailed from Halifax for Boston, with a cargo of metals and junk belonging to Jeremiah O'Connor. The vessel and cargo, in a gale of wind, were stranded on Nantasket Beach, the vessel having previously struck on "The Hardings," near the entrance of Boston harbor. The cargo was taken out and brought to Boston, the port of destina-

tion. The vessel was thereafter got off the beach and towed to Boston. O'Connor, the consignee and owner of the cargo, libelled the vessel for a contribution for the expenses of taking out the cargo on the beach, and for damage claimed by him to have been suffered by the cargo from the weather while on and near the wreck. By an amendment to his libel, he also claimed damages for alleged wrongful and negligent conduct of the master, and by reason of an alleged unjustifiable deviation.

The master of the *Ocean Star*, William Lang, shortly thereafter filed his libel for a general average contribution, alleging that he voluntarily stranded the vessel on Nantasket Beach, to save the property at risk and the lives of those on board. These libels were heard together, as one case, in the District Court. An interlocutory decree was entered in that court for the libellant for a general average contribution, with a reference to a commissioner to assess the damages. On the coming in of the commissioner's report, the exceptions which had been filed by O'Connor's counsel to the report of the commissioner were overruled, and a final decree was entered in favor of William Lang, the master, against O'Connor, for the sum of nine hundred and twenty-four dollars and seventy-five cents.

On the libel of O'Connor against the *Ocean Star*, the District Court made an interlocutory decree for an adjustment, with a reference to a commissioner to assess and report to the court the amount of damages sustained by the libellant. On the coming in of the report of the commissioner, "that no injury was done to the cargo by the stranding or discharging at the place of distress, as a foundation for the claim for a general average contribution," the court overruled the exceptions of O'Connor to the report of the commissioner, and declined to recommit the case to the commissioner, as prayed for by the libellant; and dismissed the libel, with costs for the claimant. An appeal was taken in both cases, and the two appeals were heard at the same time in this court.

I am not satisfied from the evidence in this case that there was any such wrongful or negligent conduct of the master, or any such unjustifiable deviation, as set up by O'Connor, preceding the stranding, as would render him liable for the loss, or deprive the vessel of the right to a general average contribution from the cargo, if the stranding was voluntary. If the stranding had

been occasioned or rendered necessary by any such unjustifiable deviation, or wrongful or negligent act of the master, it must be attributed to that fault, rather than the sea peril, although the sea peril may coexist and enter into the case. *The Portsmouth*, 9 Wall. 682. It appears that on the morning of December 6, the vessel was about three miles from Cape Ann, when the schooner shaped her course for Boston Light; that, fifteen or twenty minutes after leaving Thatcher's Island, a snow-storm set in, which increased in severity, soon becoming a blinding and furious storm; that the master, deeming it on the whole for the best under the circumstances, still held his course for Boston, the port of destination. Some hours after, the master found himself close to the rock known as "The Hardings," just outside of Boston harbor. In wearing to clear these breakers, the foresail came over and split, and the keel just grazed aft. The master then concluded that his best course was to beach the vessel, and headed her for Nantasket Beach. He shaped his course along the beach, and finally selecting the best place for the purpose, he put her head on to Nantasket Beach. It is contended that the master should have made a harbor at Gloucester or Salem, or, if he ran for Boston, should have gone up Broad Sound instead of Light-house channel. The testimony of the experts shows that it would have been more prudent to have made a harbor of necessity, if the necessity was seasonably apparent. But the evidence fails to show such an impending peril when off Cape Ann, as would certainly have rendered it incumbent on the master to deviate from his course at that time, and make a harbor. When, after passing the Cape, the gale increased in intensity, and the thickness of the fog and snow increased, it was too late to have made either Gloucester or Salem. The master was more familiar with the harbor of Boston than with either of the others. Nor do I perceive how he could be charged with culpable negligence in choosing the main ship-channel as he did.

It is well settled in the courts of the United States, that where a vessel and cargo are in common peril, and the master, for the purpose of avoiding the greater peril, selects another and less peril, he can recover compensation in general average from the cargo thereby saved. When a vessel is voluntarily stranded with a view to promote the general safety, the damage to the vessel is a general average loss. It does not prevent a recovery if the

stranding was the best thing to be done, regarding only the condition of the vessel. Here was a common peril; a voluntary sacrifice, so far as any such sacrifice which is the foundation for a general average claim is ever voluntary; for there must always be a forced choice,—in the words of Boulay Paty, “*Il faut qu’il ait volonté forcée*,”—and a successful attempt to avoid the greater peril.

After careful revision of the exceptions, I see no reason to doubt the correctness of the judgment of the District Court overruling the exceptions and confirming the report of the commissioner.

Decree of the District Court affirmed with costs; and with interest in the case wherein Lang is libellant.

AUGUST, 1873.

MICHAEL G. MINON, Appellant, v. WILLIAM T. VAN NOSTRAND *et al.*

Where a debtor has been arrested on execution of a State court, and has claimed the benefit of the provisions of the State law for the relief of poor debtors, before proceedings in bankruptcy, the Circuit Court will not enjoin the creditor from proceeding under his execution.

An arrest on execution before the arrested debtor's petition in bankruptcy, is not avoided by adjudication of his bankruptcy.

The filing by an execution creditor, after adjudication of the bankruptcy of the debtor, of charges of fraud in opposition to the discharge of the debtor, under the Massachusetts law for the relief of poor debtors, cannot be considered a suit at law or in equity to be stayed under the twenty-first section of the bankrupt act.

APPEAL from a decree of the District Court of Massachusetts.
The case is stated in the opinion.

C. R. Train, J. O. Teele, for appellant.

Burbank & Lund, for appellee.

SHEPLEY, J. The appellant was arrested on the third day of November, 1869, on an execution which issued on a judgment recovered against him in favor of the defendants, in the Superior Court for Suffolk County, on the fifteenth day of October, 1869. The debtor was taken before a commissioner of insolvency, and

entered into a recognizance in due form of law, with sureties, conditioned as follows: "That said judgment debtor, Michael G. Minon, within thirty days from the day of his arrest, as above (in said recognizance) mentioned, will deliver himself up for examination before some magistrate authorized to act, giving notice of the time and place thereof in the manner provided by law, and appear at the time and place fixed for his examination, and from time to time until the same is concluded, and not depart without leave of the magistrate, making no default at any time fixed for his examination, and abide the final order of the magistrate thereon."

The appellant, subsequently desiring to take the oath for the relief of poor debtors, as provided by the laws of Massachusetts, made application to David H. Coolidge, a commissioner of insolvency; and a time and place was fixed for his examination, and the debtor and creditors appeared before the commissioner. The examination of the debtor was commenced, and the proceedings were continued from time to time to the twenty-fifth day of March, 1870. On the fourteenth day of February, 1870, the debtor filed his petition in bankruptcy, and on the sixteenth day of February he was duly adjudged a bankrupt. On the 25th of March he appeared before the Commissioner of Insolvency. Charges of fraud were filed by the creditors. The bankrupt proved the fact of his bankruptcy, and the proceedings thereon, and prayed that further proceedings under the execution be stayed, and he be released from his arrest, and allowed to go thereof without day. This prayer was denied by the commissioner. The bankrupt subsequently filed in the District Court his petition for a writ of injunction against further proceedings by the creditors before the commissioner under the execution and the recognizance, and for his release from that arrest. The District Court dismissed the petition, and the case is brought before this court by appeal.

The recognizance having been taken before the commencement of proceedings in bankruptcy, the sureties could only be discharged by a performance of the conditions of the recognizance. While the arrest continues, all other means to obtain payment of the judgment are suspended. When an arrest has been made upon an execution, and the debtor has claimed the provisions of the State law for relief, prior to his application in bankruptcy,

the Circuit Court will not enjoin the creditor from proceeding with his execution. *Craggin v. Bailey*, 23 Me. 104. The arrest is not avoided by the bankruptcy. The proceedings under the recognizance were instituted at the debtor's instance. The filing of the charges of fraud was only a proceeding incidental to the previous proceedings instituted by him, in the nature of an answer or plea in bar to the debtor's application. *Parker v. Page*, 4 Gray, 533. Such filing of charges of fraud cannot be treated as a suit at law or in equity to be stayed under the twenty-first section of the bankrupt act.

Decree affirmed.

SEPTEMBER, 1873.

THE SINGER SEWING-MACHINE COMPANY v. THE UNION BUTTON-HOLE AND EMBROIDERY COMPANY *et al.*

An injunction may be granted to restrain acts in violation of a lawful contract, although the nature of the contract is such that specific performance cannot be enforced.

A court of equity may restrain by injunction, acts in violation of an existing lawful contract, although it is terminable at the option of one of the parties only; unless the contract is of such a nature that the reservation of the right so to terminate makes the whole contract inequitable.

A corporation, the owner of certain patents, granted an exclusive license to the complainant to sell machines containing the patented inventions, and agreed to furnish the machines at a certain price. After furnishing many machines, the corporation, without fault of complainant, refused to deliver more; assigned the patent to one having knowledge of the contract, in trust for another association; and took measures for its own dissolution. On bill in equity by the licensee, a preliminary injunction was granted restraining the corporation from dissolving its organization, and the assignee in trust of the patents from transferring them.

THE bill alleged that the defendant company was, in 1866, the owner of certain patented inventions embodied in a machine for making button-holes, and owned a factory, &c., for making the machines; and that, being desirous to bring the same into notice and to secure a market, they made a contract with the complainant, then a corporation of established reputation and large business in this country and in foreign countries, by which the complainant was to be the sole and exclusive agent for the sale of these machines,

excepting in France and the city of Boston, and was to supply the market and to use certain means and facilities at its command for this purpose; and the defendant company was to furnish the complainant with machines, as called for, up to the full capacity of the factory, at a certain agreed price to be paid monthly in cash. It further charged that the complainant had bought and paid for one thousand machines, and had succeeded, with much labor and expense, exceeding the profit obtained, in selling these machines; and that a market had been made mainly, if not wholly, by its exertions; that the defendant company now neglected and refused to deliver any more machines, though requested; and were taking measures to dissolve their association for the purpose of avoiding their contract with the complainant, and in pursuance of that intent had conveyed the patents to the defendant Wood, as trustee for a voluntary and unincorporated body of persons unknown, called the Button-hole Sewing-Machine Company; that said Wood had been the treasurer of the defendant company, and was fully informed of the complainant's rights. The prayer of the bill was for a decree for specific performance; and an injunction against the transfer of the patents by Wood, and against the dissolution of the defendant company, and the manufacture and sale of the machines excepting in conformity with the contract.

The agreement between the complainant and defendant companies contained this clause: "That the agency aforesaid shall continue so long as the patent or patents for said machine have been or may be granted or extended, provided that the Singer Manufacturing Company shall fairly and reasonably conduct such agency, and shall continue to supply the market with machines as aforesaid, and shall not engage in selling any other button-hole machines than those manufactured by the Union Button-hole and Embroidery Machine Company; but in case the Singer Manufacturing Company shall fail to carry out their agreements as herein expressed, the forfeiture of such agency shall be considered the only penalty for such failure."

E. Merwin, for complainant.

H. G. Parker, E. S. Mansfield, for defendants.

The contract is not one that the court can enforce from the nature of the business. *Garret v. Epsom Downs Railway Co.*, 11 Jur. N. S. 591; *Munroe v. Wirenbo R. R. Co.*, 13 W. R. 880.

It will not be enforced, because it is without mutuality. *Guger*

v. *Green*, 4 Gill, 472; *Duvall v. Myers*, 2 Md. Ch. 401; *Bronson v. Cahill*, 4 McLean, 19; *Benedict v. Lynch*, 1 Johns. Ch. 373; *Rogers v. Sanders*, 4 Me. 92; *Woodward v. Harris*, 2 Barb. 439; *Philips v. Berger*, 8 Barb. 527; *Marble Co. v. Ripley*, 10 Wall. 339.

LOWELL, J. There is no dispute that the two companies, complainant and defendant, made the contract A annexed to the bill, by which the former is to have the exclusive right of selling the patented machines, excepting in two excepted localities; that the defendant Wood had full knowledge of the contract, and that the defendants are about to carry out a course of action which will have a strong tendency, to say the least, to defeat the contract. In such a state of things a court of equity readily grants an injunction until the merits of the case can be inquired into, because, if it refuses to interfere at first, rights may be acquired and innocent third persons may become interested in the property in a way that will embarrass the final action of the court, and perhaps work injustice to those innocent persons. It is the direct opposite of a case in which the court is asked to interfere with existing rights upon the strength of some supposed paramount title, and to break up an established order of things. Here the defendants are breaking the established order, and are the actors in fact, and the court is asked to keep things as they are and were agreed to be, until the full evidence is taken. "It is certain," said a learned lord chancellor, speaking of a case of this kind, "that the court will in many cases interfere and preserve property *in statu quo* during the pendency of a suit in which the rights to it are to be decided, and that without expressing, and often without having the means to form, any opinion as to such rights." He then cites several authorities, and continues: "It is true that the court will not so interfere if it thinks there is no real question between the parties; but, seeing there is a substantial question to be decided, it will preserve the property until the question can be disposed of. In order to support an injunction for such a purpose, it is not necessary for the court to decide upon the merits in favor of the plaintiff." *Great Western Railway Co. v. Birmingham Railway Co.*, 2 Phil. 602.

The decision of this motion, then, depends upon whether the complainant has made such a reasonable *prima facie* case for the relief, or some substantial part of the relief, which it seeks, that

it is fairly entitled to maintain the *status quo*. Upon the matters of fact I find that they have such a case.

The two points of law are not without difficulty. The relief asked is specific performance and injunction. It is argued with great ability by the defendants, that the complainant is not entitled to specific performance, and that, therefore, it cannot have an injunction which is merely auxiliary. Granting the premises, I am not prepared to concede the conclusion. If the court cannot order a contract for the making of button-hole machines to be specifically performed by reason of the impossibility of superintending the details of such a business, it does not follow that the bill may not be retained as an injunction bill. It was formerly thought that an injunction would not be granted to restrain the breach of any contract, unless the contract were of such a character that the court could fully enforce the performance of it on both sides. Upon this ground there were many decisions refusing to interfere with contracts for personal services, however flagrant might be the breach of them. *Kemble v. Kean*, 6 Sim. 333; *Kimberly v. Jennings*, 6 Sim. 340; *Baldwin v. Society for Diffusion of Knowledge*, 9 Sim. 393, in which the courts refused to restrain actors and authors from violating their engagements, because they could not oblige them specifically to keep them. But all these cases were overruled by one of the ablest chancellors who has adorned the woolsack, in *Lumley v. Wagner*, 1 De G., M. & G. 616. In that case a singer had agreed to sing at the plaintiff's theatre for three months, and not to sing at any other, and the court enjoined her from performing at a rival establishment, though it was clear and was admitted that the court could not oblige her to sing for the plaintiff. This case was fully in accord with *Morris v. Coleman*, 18 Ves. 437, which had been disregarded or explained away in many of the intervening cases. It is now firmly established that the court will often interfere by injunction when it cannot decree performance. Thus it is said that the writ may issue to restrain the use of a ship contrary to an agreement for charter, though the agreement was not personally binding on the defendant, who was a mortgagee. *De Mattos v. Gibson*, 4 De G. & J. 276; that a tenant may be restrained from doing any thing which will prevent the demised premises being used as an inn, though he cannot be forced to keep the inn as he had covenanted to do. *Hooper v. Broderick*,

11 Sim. 47; that where two railway companies had made an agreement for the use by each of the road of the other, the court might enjoin the obstruction of such use by one of the parties, though it could not enforce full performance of the whole agreement. *Great Northern Railway Co. v. Manchester Railway Co.*, 5 De G. & Sm. 138. The case of *Lumley v. Wagner*, 1 De G., M. & G. 616, has been followed in numerous cases concerning actors, authors, and publishers. *Webster v. Dillon*, 5 W. R. 867; *Stiff v. Cassell*, 5 Jur. N. S. 348. The case of *Fechter v. Montgomery*, 33 Beav. 22, sometimes cited as opposed to these decisions, is not so at all; the decision there was, that the actor had the right to renounce his engagement because the manager had not fulfilled his part of the contract. See also *Slee v. Bradford*, 4 Giff. 262; *Rolfe v. Rolfe*, 15 Sim. 88. *Dietrichsen v. Cabburn*, 2 Phil. 52, has much resemblance to the case at bar. The defendant owned a patent medicine, and appointed the plaintiff his wholesale agent for the sale of it, and agreed to supply him with all the medicine he should order at forty per cent discount from the current retail price, and covenanted not to sell to any one else at a greater discount than twenty-five per cent above that current price. On demurrer, the Lord Chancellor, overruling the Vice-Chancellor, sustained the bill which sought to enjoin the defendant from selling to any one else at less than the agreed discount, and for an account. It is plain, I think, that the decision would have been the same if the defendant had agreed not to sell to any one else on any terms. This case virtually overruled *Hills v. Croll*, 2 Phil. 60, decided a year earlier. (See the able note of the reporter at the end of the last-mentioned case.) These are but a few of the decisions, though they are among the most important of them.

This is certainly a subject upon which it is almost impossible to reconcile the decisions, and of such inherent difficulty, that I know of no other in which the appellate courts have so often reversed the decisions below. I have examined a great many of the cases, and some apparent contradictions may be understood by recollecting that the granting or refusing an injunction is scarcely ever a matter of strict right, and that any attempt to lay down precise and invariable rules on the subject must necessarily fail. There are many cases in which injunctions have been refused in behalf of the employed, when, upon the precedent of

Lumley v. Wagner, and that class of cases, they would have been granted to the employers. This seems unequal. The explanation, such as it is, appears to be, partly, that courts of equity are unwilling to force upon any one an agent or servant who is personally disagreeable, if the relation between the parties is at all a personal or confidential one; and partly, that, on the part of the agent or servant, the remedy at law is usually adequate, both from the nature of the contract and the standing of the parties. (See *Mair v. Himalaya Tea Co.*, L. R. 1 Eq. 411; *Johnson v. Shrewsbury Railway Co.*, 3 De G., M. & G. 914.) There are other cases which I can reconcile with those I have above cited, only on this ground, that where the subject-matter or business is of public importance, such as the management of a railway, the courts will not risk a total stoppage of the business by injunction when they cannot go forward and regulate the whole matter by a decree for specific performance. *Peto v. Brighton Railway Co.*, 11 W. R. 874; *Johnson v. Shrewsbury Railway Co.*, 3 De G., M. & G. 914.

I think the fair result of the later cases may be thus expressed: If the case is one in which the negative remedy of injunction will do substantial justice between the parties, by obliging the defendant either to carry out his contract or lose all benefit of the breach, and the remedy at law is inadequate, and there is no reason of policy against it, the court will interfere to restrain conduct which is contrary to the contract, although it may be unable to enforce a specific performance of it. It seems to me that this case comes easily within this rule. The court cannot, perhaps, superintend the performance of a contract to manufacture machines, but it can restrain the defendants from selling in violation of their agreement.

The case may also be looked at in another view, which was presented in the complainant's argument. This is not only an agreement between the parties, that certain things shall be done by them, but it is also the grant of an exclusive license (excepting for France and Boston) to the complainants to sell the patented machines. And it has never yet been doubted that the court could restrain all persons, whether they were acting with or without notice, and whether bound by contract or not, from trespassing on such a title.

But it is said to be fatal to the complainant's case that the con-

tract is not a mutual one. This want of mutuality is found in the article which limits the penalty for a forfeiture on the complainant's part to a mere loss of the agency. This is said to be equivalent to an agreement that the complainant may renounce at any time; and so it is argued that only one party is bound to this agreement. It is no doubt true, in general, that where only one side is bound to an agreement which remains wholly executory, a court of equity will not usually interfere to enforce the agreement against the party who is bound. The simplest case of this kind is where an infant is one party to a contract for the sale of land. The reason given is, that the party who is not bound would enforce the contract if for his advantage, and repudiate it if the contrary. *Lawrenson v. Butler*, 1 Sch. & Lef. 13. The doctrine is often invoked in that class of cases. But there are innumerable cases where the party seeking performance is no longer bound to any thing, having paid the consideration in the outset, or performed his part, or where the plaintiff does not rest on a contract wholly executory, to which this doctrine does not apply. I have some doubt of its application to this case. Supposing the stipulation to mean, what the defendants contend it does, that the complainant may renounce at any time, which may be doubted, still, if the defendants, for valuable considerations, have given the complainant an exclusive license until it forfeits it, I do not see why a court of equity should not protect that license by its injunction, as usual, so long as it is not forfeited. A very strong case was cited from 10 Wall., in which the Supreme Court refused to decree the specific performance of a contract for quarrying marble, &c., on the ground, among several others, that the plaintiff had the right to give up the arrangement on a year's notice. I cannot think that the court intended to announce any general proposition that they would never enforce a contract which one party had a right to put an end to in a year. Every thing must depend upon the nature and circumstances of the business. In many of the cases that I have cited, the plaintiff had it in his power to end the contract. It is certainly competent to the parties to make a contract which will be equitable and reasonable, and in which their rights ought to be protected while they last, though it may be terminable by various circumstances, and though one party may have the sole right to terminate it, provided their stipulation is not one that makes the whole contract inequitable. In the

note which I have above referred to in the case of *Hills v. Cook*, the learned reporter thinks it quite clear that a contract by the defendant to buy all his acid of the plaintiff, so long as the plaintiff chose to deal with him, would be valid, and would be enforced by injunction. In *Rolfe v. Rolfe*, 15 Sim. 88, the Vice-Chancellor notices the fact, that the plaintiff could stop his own business when he chose, and thereby deprive the defendant of the employment agreed on, yet he restrained the defendant in the mean time from working for a stranger.

The remedy by injunction is a very elastic and adaptable one, and there is no sort of difficulty in granting it, until, by a change of circumstances, it shall appear that it ought to be dissolved. A bill may be retained for that purpose for any number of years that may be requisite. The argument, to be sound, must go this length, that, after the complainant has ordered a thousand machines, and paid for them, and is selling them in all the countries of the world excepting France, there is no adequate remedy against the defendants' underselling in all those markets. I do not mean to be understood that this point would not apply to an injunction bill as well as to one for specific performance, nor that it is not a doubtful one. But the contract contains in itself, as we have seen, not only executory agreements on both sides, but a present grant, for value, of the exclusive right to sell; and my present impression is, that such a grant is good, and is to be enforced, so long as it lasts, whether the remainder of the contract is mutual or not, provided the whole contract, including the grant, is not so unequal as to be void in a court of equity, which, as at present advised of the facts, I see no reason to hold.

It seems to me, therefore, that the complainant's case has a sufficient appearance of justice to require the court to keep things as they are, by restraining all conduct which will put it out of the power of the defendants to fulfil their contract, until the facts and law can be fully ascertained.

Injunction ordered.

MAINE DISTRICT.

OCTOBER, 1873.THOMAS BARING *et al.* v. WILLIAM L. PUTNAM, Administrator
de bonis non.

An action lies in favor of a banker against an administrator *de bonis non*, as such, to recover money credited by mistake to the intestate during his life, and drawn by, and paid to, the original administrator in his representative character, in the belief that it belonged to the estate.

ACTION at law heard by the court upon an agreed statement of facts. The plaintiffs (who were foreign bankers having accounts with Charles Thompson of Kennebunk, Me., and also with Charles Thompson of Topsham, Me.), by mistake, credited on their books to Charles Thompson of Topsham, the defendant's intestate, a considerable sum received by them, instead of to Charles Thompson of Kennebunk, to whom it belonged. Before either account was settled, Charles Thompson of Topsham died; and his original administrator, as such, drew from the plaintiffs all the funds standing on their books to the credit of his intestate, including the amount erroneously credited as above; neither party being aware of the error. Subsequently the original administrator resigned, and the defendant was appointed administrator *de bonis non*. Afterwards, on settlement of the account of Charles Thompson of Kennebunk, the error was discovered; and thereupon the plaintiffs brought this action against the defendant, as administrator *de bonis non*, to recover the amount erroneously paid to the original administrator.

The defendant contended that the only claim of the plaintiffs was against the original administrator personally, and that the action did not lie.

S. C. Strout, H. W. Gage, for plaintiffs.

William L. Putnam, for defendant.

SHEPLEY, J. Whatever property or money is lawfully recovered or received by the executor or administrator, after the death

of his testator or intestate, in virtue of his representative character, he holds as assets of the estate; and he is liable therefor, in such representative character, to the party who has a good title thereto. This doctrine was established by the Supreme Court of the United States, after full consideration of the conflicting cases upon the subject, in the case of *De Valengin's Adm'rs v. Duffy*, 14 Pet. 283, 290.

This money was deposited with the plaintiffs, and was placed on their books to the credit of the intestate prior to his decease, and so stood at and after his decease. No one but the personal representative of Charles Thompson could withdraw the funds; and it was the duty of his administrator to collect the balance which he found standing to the credit of his intestate. In the absence of any knowledge on the part of the administrator of the mistake, he acted lawfully and in the pursuance of his duty in the execution of his trust, and not tortiously, in collecting the money. He could only do this upon proof of his appointment and qualification as administrator. No credit was given to him personally, nor was any money paid to him in any other way than in his representative character. The old doctrine seems to have been that, upon any promise made after the death of the testator or intestate, the executor or administrator was chargeable, if at all, as of his own goods, and not in his representative capacity. More recent cases have settled that an executor or administrator may, in some cases, be sued in his representative capacity on a promise made by him in such capacity, and a judgment had against the assets of the estate. This, however, is limited to cases where the transaction which constituted the cause of action arose in the lifetime of the deceased, and does not extend to actions for goods sold and delivered to an executor, or work and labor done for him as executor. In such cases, the defendant is charged personally, and not in his representative character. If, after the decease of Charles Thompson, the Barings had by mistake placed this sum to the credit of H. P. Thompson as executor, and he had collected it, a different question would have been presented, which it is not necessary in the present case to decide, as the case of *De Valengin's Adm'rs v. Duffy*, 14 Pet. 283, is in the opinion of the court conclusive, when applied to the facts in this case.

Judgment for plaintiffs, with interest from date of demand made upon the estate.

OCTOBER, 1873.

CONNECTICUT MUTUAL LIFE INSURANCE COMPANY v. JAMES
H. BOWLER.
SAME v. PATIENCE C. B. PLUMMER.

A surety upon a bond given by a partnership to an insurance company to secure the faithful performance by the firm of the duties of agents of the company, and payment to it of the amounts received by the firm as such agents, is liable in an action on the bond, brought after the dissolution of the firm by death of one of the partners, only for amounts received by the firm as agents of the company, before the dissolution.

The surety is not liable on the bond for amounts received after the dissolution, by the surviving partner, then acting as agent of the company.

Nor for amounts received by sub-agents before the dissolution of the firm, and after the dissolution paid by them to the surviving partner, then acting as agent of the company.

SHEPLEY, J. This is an action at law against the defendant, Bowler, as surety in a bond, given to secure the faithful performance of their duty, as agents of the plaintiff corporation, by the firm of B. Plummer & Sons, composed of Patience C. B. Plummer and Watson E. Plummer. The condition of the bond is as follows: "Now, therefore, if the said B. Plummer & Sons shall promptly pay to said company the amount received from time to time, and shall well and truly perform all and singular the duties as agents of said company, as directed, according to the provisions of the charter, by-laws, rules, and regulations of said company, now existing, or which may be adopted by said company, for and during the time he officiates as said agent, and shall deliver all the property which he may receive and hold as agent to his successor in said office, or to such other person as the said company or its authorized officers may direct, then this obligation shall be null and void; otherwise remain in full force and virtue."

On the 18th of March, 1871, Watson E. Plummer, one of the firm, died suddenly at Quebec, leaving Patience C. B. Plummer sole surviving partner of said firm. The firm of B. Plummer & Sons, among other things incumbent on them as agents, received from the plaintiff company receipts for moneys to be paid by parties insured in the company, as premiums upon the renewal of policies. These receipts were forwarded monthly to meet the premiums falling due the succeeding month. On the 18th of

March, when Watson E. Plummer died, the firm had collected, on renewal receipts for that month of March, the sum of \$2,933.96, from which they were entitled to deduct as commission \$346.35, leaving due to the company the sum of \$2,587.61. This amount, not having been paid to the company, and having been collected by the firm prior to the decease of Watson E. Plummer, is unquestionably covered by the bond; and for this amount, with interest from the 18th of March, 1871, the company is entitled to judgment against the surety.

On the 18th of March, the company forwarded to the address of said firm at Bangor, Maine, the renewal receipts for the month of April. These in due course were received at the Bangor office on the 22d of March, four days after the death of Watson E. Plummer. Patience C. B. Plummer continued to transact the business of the agency at Bangor, in the same manner as it had been previously conducted by the firm, until the last day of April, 1871, when the agency was revoked, and F. S. Coffin was appointed agent in place of said firm, and the business was conducted by him from that time forward, Patience C. B. Plummer receiving the premiums on the renewal receipts for the time previous to the month of May.

The collections of premiums upon the April renewal receipts were made during the months of April, May, June, and July; and on the twenty-fourth day of August, according to a final account rendered to the company, there was due to said company for such collections, after deducting charges and commissions, a net amount of \$29,955.70, for which sum demand was made on the defendants; and, on refusal, an action was brought against Bowler, the defendant in this suit, and another against the surviving partner.

The sum of \$29,955.70 includes the sum of \$2,587.61, due for collections prior to the death of Watson E. Plummer. It also includes the collections on the April renewal receipts, received after the death of Watson E. Plummer, and also some money (the amount of which does not appear) which was collected by sub-agents on receipts which came into the hands of the firm prior to the eighteenth day of March, 1871, and had been transmitted to the sub-agents, and not returned to the Bangor office until after that day. For these collections the company claims that Bowler is responsible to the extent of the penal

sum in the bond. Upon the facts agreed and proved in the case, it seems clear, upon careful examination of the facts and application of the law, that the liability of Bowler cannot justly be extended beyond the sum of \$2,587.61, due from the firm at the time of the death of Watson E. Plummer. When he died, the partnership, for whose acts and omissions alone Bowler had become surety, was dissolved, and his liability was terminated. All subsequent payments to a surviving member of the firm by policy-holders or sub-agents, whether on receipts transmitted by the firm for collection before the decease of one of the partners, or by the surviving partner after the decease, were payments to parties other than the firm of B. Plummer & Sons; they were not received by that firm "from time to time" during the agency or existence of the firm, nor received "for and during the time he officiates as said agent." All such collections were acts to which the surety was a stranger, and respecting which he had assumed no responsibility. On the death of Watson E. Plummer, the sub-agents ceased to be sub-agents of the copartnership. If they ever stood in that relation to B. Plummer & Sons, as sub-agents of theirs rather than of the company, the death of one of the principals would have terminated the agency. Watson E. Plummer's representatives clearly were not responsible for the moneys collected by the surviving partner after his decease; and Bowler, the surety, could have no claim upon the estate of Watson E. Plummer for any sum he might be compelled to pay as surety for the faithful application of funds which did not come into the hands and possession of the firm before his decease. Bowler might have entered into the contract of suretyship, relying solely on his knowledge of the business capacity and personal integrity and pecuniary responsibility of Watson E. Plummer. Whether he did so or not, he is entitled to the benefit of that, so far as it is a protection to him; and when death deprives him of that, his liability for subsequent acts is terminated *eo instanti* with the dissolution of the partnership.

Where a copartnership is dissolved by the death of one of the copartners, no notice of the dissolution is necessary; and the surviving members are not bound by any new contract entered into by one of the firm in the copartnership name after such dissolution, although it is made with a person who had previously dealt with the firm, and who had no notice or knowledge that it was

terminated by the death of one of the members. Nor can the estate of the deceased partner, nor his heirs or personal representatives, be held on a contract entered into in the name of the firm subsequently to his death, although no notice of the dissolution of the firm has been given. *Marlett v. Jackman*, 3 Allen, 290; *Washburn v. Goodman*, 17 Pick. 526; 3 Kent Com. (6th ed.) 67; *Griswold v. Waddington*, 15 Johns. 57; 16 Johns. 438.

It is claimed that Bowler is liable on the ground that funds in the hands of the sub-agents on the 18th of March, 1871, are to be treated as constructively in the hands of B. Plummer & Sons, so as to charge the surety. There is nothing in the case tending to show that, in the absence of default of payment, or embezzlement by agents, B. Plummer & Sons were liable to pay to the company, until they received the money of the sub-agents. These sub-agents were appointed by them to be sub-agents of the company, and acted under their instructions; but the appointment was made, and the instructions were given, by them as agents of the company. Even if they were personally responsible for any default of the sub-agents, the case does not find any such default occurring before the death of Watson E. Plummer or afterwards. If, after they had ceased to have any relation of agency to B. Plummer & Sons, they paid money to the surviving partner, it would not be on the responsibility of Bowler, especially when such surviving partner, as in this case, was recognized as the agent of the company so that a payment to her was, so far as the sub-agents were concerned, a payment to the company itself.

The damages in this case, according to the agreement of the parties, are assessed at the sum of \$2,587.61, with interest from the eighteenth day of March, 1871.

In the case of *The Connecticut Mutual Life Ins. Co. v. Patience C. B. Plummer*, the damages are assessed at the sum of \$29,955.70, with interest from August, 1871. This sum includes the sum for which Bowler, the surety, is also liable on the bond given by Plummer & Sons.

Judgment accordingly.

J. S. Rowe, for plaintiff.

E. F. Hodges, for defendant.

OCTOBER, 1873.

PATIENCE C. B. PLUMMER v. THE CONNECTICUT MUTUAL LIFE
INSURANCE COMPANY.

A bill in equity is not demurrable on the ground of a plain, adequate, and complete remedy at law, when it appears that the remedy at law can only be prosecuted by means of a large number of actions, involving many questions of values and accounts which it would be practically impossible for a jury to settle.

BILL in equity to obtain a settlement of accounts, and for an injunction to restrain the prosecution of certain actions at law by the defendant corporation. The defendant demurred to the bill, upon the ground that the complainant had a plain, adequate, and complete remedy at law. The case is stated in the opinion.

E. F. Hodges, for complainant.

J. S. Rowe, for defendant.

SHEPLEY, J. The bill in equity in this case is instituted by the complainant, as surviving partner of the firm of B. Plummer & Sons, composed at the decease, in March, 1871, of Watson E. Plummer, of the said Watson E. and the complainant. Complainant is the widow of Benjamin Plummer, deceased, who for many years prior to his death had been an agent for insurance companies, and from 1859 to the time of his decease, in April, 1867, was acting exclusively as agent of the defendant company. The bill alleges an arrangement entered into in February, 1859, between the insurance company and Benjamin Plummer, by which he agreed to act as exclusive agent of the company in the eastern part of the State of Maine, to solicit parties to effect insurances in said company, and to perform other services for the company. In consideration thereof, the company agreed to pay him, or permit him to retain, ten per cent of all moneys paid for the first year's premiums, and five per cent upon all subsequent premiums, on all policies issued by the company to any persons taking the same through the influence or solicitations of the said Benjamin. The bill alleges that, upon the faith of this agreement, Benjamin Plummer incurred very great expenses in advertising, in the establishing suitable offices, the employment of clerks, and in travelling and other expenses necessary to develop and increase the business of the company. That he thereby

so far increased the business of the company, that, while the company for the year prior to the time of his assuming the exclusive agency had received for premiums in the territory embraced within his agency not over \$2,000, it received in the year ending Feb. 1, 1871, from the same territory, over \$250,000. On the 1st of November, 1861, the company constituted him the general agent of the company for Maine and the adjacent British Provinces, with authority to appoint sub-agents subject to his control and direction, with the right to retain fifteen per cent of all moneys paid for first-year premiums on policies subsequently procured by his exertions, and seven and one-half per cent on all renewal premiums on policies procured by him, whether issued before or after Nov. 1, 1861.

In July, 1863, Benjamin Plummer formed a copartnership with his sons, Oliver B., and Watson E., Plummer, and the business was then conducted under the name of B. Plummer & Sons; and the company accepted the firm as their agents in the place of Plummer alone, and settled its accounts with them on the basis of the agreements with Benjamin. On the 1st of February, 1867, the company entered into a new arrangement with B. Plummer & Sons, agreeing to give them twenty-five per cent of all first-year premiums, and six per cent of all renewal premiums, on policies procured by them subsequently to that date.

On the second day of April, 1867, Benjamin Plummer deceased, and the business was conducted by the surviving partners, with the acquiescence of the defendant company, until the tenth day of July, 1867, when the complainant became a member of the firm with her two sons, continuing to carry on the business in the name of B. Plummer & Sons, with the knowledge and consent of the company. On the 1st of June, 1869, O. B. Plummer, one of the partners, retired, assigning his interest to the remaining partners, who continued the business as before, with like knowledge and acquiescence of the company. On the first day of February, 1870, another modification of the contract was made, by the terms of which the firm was thereafter to receive twenty-five per cent of first-year premiums, ten per cent of renewal premiums on the four next succeeding years, and two per cent on premiums for subsequent years.

In March, 1870, W. E. Plummer deceased, leaving the complainant the sole survivor of the firm, who continued to conduct

the agency until the power was revoked by the company. The bill further alleges that it was a consideration of the efforts and expenditures of the said Plummers in securing an enlarged constituency of said company, and that it was distinctly stipulated in all the agreements that they were entitled to receive the stipulated percentage as long as any payments should continue to be made on the policies procured by them; and they were ready to perform the duties of the agency as stipulated; and that their rights were the same by agreement, so far as related to the percentage on the policies procured by them, whether the agency was revoked, or in the event of the death of the agent or agents; that, after the death of Watson E. Plummer, in March, 1871, the complainant had made arrangements to continue, and did continue, the agency and business with competent and skilful assistants, as it had theretofore been done; but that in May, 1871, the company revoked the agency, and all power to collect premiums, or percentages on premiums, and refused to allow or pay her anything for the value of the percentages on the future premiums, or in any way to recognize any rights or interests of the complainant therein, or in any premiums whatever paid after the date of the revocation of the agency on policies which had been procured by said Plummer or said firm. When the agency was revoked, policies were in force issued prior to 1861; subsequent to 1861 and prior to 1867; subsequent to 1867 and prior to Feb. 1, 1870; and subsequent to the last date.

The amount of the business created by said Benjamin Plummer and said firm is averred to have been so large that the company had received several millions of dollars from it, and at the time of the revocation of the agency was receiving a quarter of a million dollars annually, as premiums on policies secured by them. These policies are averred to be in the hands of the defendant, in the usual form of life insurance policies, with conditions so varied and numerous that it would be impossible to set them out; and the bill prays for discovery and production of the policies, that an account may be taken of the complainant's interest therein.

In October, 1869, the firm of B. Plummer & Sons executed a bond to the company, with J. H. Bowler and others as sureties, in the penal sum of \$10,000, conditioned for the due performance of their duty as agents, and the payment to the company of all sums

collected by them for the company. An action has been commenced by the company on this bond, and is now pending in this court against the said Bowler alone, as surety on the bond. Another action has been commenced, and is now pending in this court, against the complainant, claiming to recover the sum of \$50,000, moneys alleged to have been collected by her during the months of March, April, and May, 1871. The complainant alleges that the company in equity has no claim against her, or said Bowler, but in equity is indebted to her in a sum exceeding \$100,000. In order to save a multiplicity of actions, and to obtain a just application of the indebtedness of the company to the complainant, in liquidation and cancellation of bond, and to relieve the surety, whom the complainant is in law bound to protect, the bill prays for an account of the value of her interest in the existing policies, and of the policies themselves, and that the company be decreed to pay her the value of such interest, after deducting all sums belonging to the company in her hands, and for an injunction against the prosecution of the suits at law until the rights of the parties are determined, and the value of her interest ascertained, under the rules of commutation recognized in the business of life insurance.

To this bill the company demurs; and, in support of the demurrer, it is claimed that the complainant has a plain and adequate remedy at law, and that there is no need of a court of equity to compel a discovery, as the complainant could compel the agents of the company to produce, in a suit at law, all the evidence required or material.

Where there exists a remedy at law, parties are not remitted by a court of equity to their action at law, unless the relief at law is as adequate, complete, and effectual as in a court of equity. *May v. Le Claire*, 11 Wall. 217.

While the statute declares that there shall be no remedy in equity where there is a plain, adequate, and complete remedy at law, the Supreme Court of the United States have decided that, to oust the jurisdiction in equity, the remedy at law must be as efficient to the ends of justice, and its complete and prompt administration, as the remedy in equity. *Boyce's Executors v. Grundy*, 3 Pet. 210; *Wylie v. Coxe*, 15 How. 415; *Garrison v. Memphis Ins. Co.*, 19 How. 312; *Brown v. The Pacific M. S. Co.*, 5 Blatch. 531.

So the equity jurisdiction will be entertained where there is an adequate remedy at law, if the peculiar machinery of a court of equity, as a discovery or an injunction, be necessary to do complete justice between the parties. *Gass v. Stinson*, 2 Sumn. 453.

According to the averments of the bill, which, for the purposes of this hearing, are admitted by the demurrer, a claim exists against the company for the value of the percentages in money upon all future accruing premiums on policies procured through the instrumentality of Benjamin Plummer, or of the complainant, or any of the firms in which they had been partners, as the commuted value of such prospective percentages at the time of the dissolution of the agency by death, or the act of the company, could be ascertained under the recognized rules of such commutation as administered and applied in the business of life insurance companies. But this remedy could only be enforced at law in a multiplicity of suits. A portion of the sum must be recovered in a suit in her own name as surviving partner; another portion, in her own name individually, for the percentage on policies procured by her after the dissolution of the firm by the death of Watson E. Plummer. Another suit would be requisite, in which the executor of Benjamin Plummer would be a party; and still another, in which the name of Oliver B. Plummer must be joined in an action at law, to reach the case of the percentage to be paid on policies issued before he retired, although he has no interest now in those percentages. And in these various suits, covering the percentages on over two thousand policies, the questions would have to be determined as affected by the four different classes of percentages, varied according to the varied dates of the policies and the different dates of the premiums; so that it would be practically impossible for a jury to make the requisite computations, or even, within any limits of time during which a jury could be kept in deliberation, to verify the computations and results of the most skilful experts in the science of the commutation of such values, who alone could make the requisite computations and apportion the amounts properly in the respective suits. And during the pendency of these actions at law, and after their determination, the aid of a court of equity would be almost necessarily invoked to protect the rights of the sureties to the bond, by making the equitable appropriation of the amounts, if any, found to be due to the

complainant in such manner as to protect the rights of the surety. The demurrer, therefore, must be overruled, and the provisional injunction will issue to restrain the defendant from taking out executions in the suits at law until the final determination of the suit in equity, or until the further order of this court.

Injunction ordered.

MASSACHUSETTS DISTRICT.

OCTOBER, 1873.

SUMNER W. SHEARMAN *et al.* v. OSMER A. BINGHAM *et al.*

Under the thirty-fifth section of the bankrupt act, an assignee in bankruptcy cannot recover money paid by the bankrupt to a *bona fide* creditor more than four months before the filing of the petition in bankruptcy.

SUIT by assignees in bankruptcy to recover money alleged to have been paid to the defendants by the bankrupt as a preference. The case was heard on an agreed statement of facts, the material parts of which appear in the opinion.

Oscar Lapham, E. P. Brown, for plaintiffs.

C. T. Russell, T. H. Russell, H. W. Suter, for defendants.

SHEPLEY, J. This court having decided, in an opinion rendered at a previous term, that the District Court in Massachusetts had jurisdiction in this case over a controversy between the assignee of a bankrupt and a person claiming an interest adverse to the bankrupt, although the proceedings in bankruptcy were instituted in the district of Rhode Island, the case is now before the court upon a hearing upon the merits.

The writ, dated Jan. 25, 1871, was brought by plaintiffs as assignees of Reynolds & Bartlett, and is to recover moneys, claimed to have been paid defendants in fraud of the bankrupt law. About the 1st of March, 1868, the bankrupts became insol-

vent and suspended payment. They were then indebted to defendants for about a thousand dollars. During the months of March, April, and May, 1868, they formally notified their creditors of their suspension, and offered to pay twenty-five cents on a dollar, provided each creditor receiving such percentage would discharge the bankrupts from further liability. The defendants were notified of the insolvency of said Reynolds & Bartlett, and, after such notice, did, on the fifth day of June, 1868, accept such offer; and received from said bankrupts the sum of \$280.69, in payment and full discharge of the said indebtedness of said bankrupts to them. The bankrupts continued settling with their creditors, until they had paid out their entire assets; and there were remaining several creditors with whom no settlement had been made. One, to whom the firm was largely indebted, and to whom the offer to pay twenty-five cents was never extended, Nov. 23, 1868 (more than four months and less than six months after the time of the preferential payment), filed a petition in the District Court in Rhode Island against the bankrupts; and on the thirtieth day of December, 1868, they were adjudged bankrupts, and the plaintiffs were duly appointed assignees.

The first clause of the thirty-fifth section of the bankrupt act avoids certain acts of the bankrupt touching his effects, if done within four months before the filing of the petition in bankruptcy. The second clause imposes the like result, if the transaction be within six months of that time. The first clause applies to the case of a creditor, a person having a claim against the bankrupt, or who is under any liability for him, and who receives money or property by way of preference. The second clause applies to cases where the transaction in question was original and complete in itself at the time it occurred, and had no reference for its consideration to any antecedent liability or debt of the bankrupt. This was the construction given to these two clauses of the thirty-fifth section by the Supreme Court of the United States in *Gibson v. Warden*, 14 Wall. 244; and seems to be the only construction, as remarked by the court in that case, by which the two clauses can be made to harmonize, and full and distinct effect be given to each.

The preference by the bankrupt having been to a *bona fide*

creditor, and more than four months before the filing of the petition in bankruptcy, the time had expired within which its validity could be challenged by the assignee.

Judgment for defendants, with costs.

OCTOBER, 1873.

L. C. CHASE v. EDWARD WESSON *et al.*

A preliminary injunction was granted where the complainant had been long in the enjoyment of his rights under his patent, and there was no doubt as to the defendants' infringement, and the evidence failed to satisfy the court of the existence of articles alleged to have been in use before the date of the patented invention.

MOTION for preliminary injunction to restrain infringement of reissued letters-patent granted the complainant July 28, 1863, for improvement in halter-rings.

George E. Betton, for complainant.

George L. Roberts, for defendants.

SHEPLEY, J. Limiting the first claim in this patent to that only which was invented by the patentee, — *i.e.*, his device, as described in his specification, of such a mode of attaching a halter-dee or other harness-ring to a halter or harness-strap by means of rivets, in the described mode, passing through holes in the described flanges of the dee or ring without the necessity of sewing, and dispensing with the use of any other material to form the "lap," in the mode and for the purpose described, — the patent is for a different invention from that described in the patent to Samuel C. Hawkins, No. 21,674, granted Oct. 5, 1858, which is relied upon to prove want of novelty in complainant's invention.

No exhibit is produced of any such harness-ring with two flanges, as some of the affiants on the part of defendants testify were in use before the date of the complainant's invention. The affidavits introduced by the complainant throw very grave doubt upon the question of the existence of any such devices at the dates indicated. These doubts are greatly confirmed by the omission to produce as exhibits in the case any such harness-rings as the witnesses describe, which could easily have been

produced if they had existed and been in use for so long a time. It is not, therefore, at this stage of the case, necessary to decide what effect they would have upon the complainant's patent if the court were satisfied of their prior use.

As the complainant has been long in the enjoyment of his rights under the patent, and there is no doubt upon the question of infringement, the injunction will issue as prayed for in the bill, until the further order of the court.

Order accordingly.

OCTOBER, 1873.

CHARLES E. PAIGE, Plaintiff in Error, v. JOHN A. LORING,
Assignee.

Under the thirty-fifth section of the bankrupt act, an assignee in bankruptcy may recover money paid to a creditor by the bankrupt, as a fraudulent preference, within four months before the petition in bankruptcy, if at the time of the payment the creditor had reasonable cause to believe that it was made in contemplation of insolvency, and to give him a preference over other creditors; although he had no reasonable cause to believe the debtor then to be insolvent in fact.

Evidence of a statement made by the defendant to a witness, of the contents of a letter of the defendant not called for, is competent.

It is not error to allow the plaintiff to remit an excess of interest found in the verdict, and then affirm the verdict, so amended.

ERROR to the District Court of Massachusetts. An action was brought in the District Court, under the thirty-fifth section of the bankrupt act, by Loring, as assignee in bankruptcy of one Charles E. Paige, Jr., to recover money alleged to have been paid to the plaintiff in error by the bankrupt, as a fraudulent preference. At the trial in the District Court, the verdict was for the assignee, and plaintiff in error brought the suit to this court by writ of error.

Edward Avery, George M. Hobbs, for plaintiff in error.

John A. Loring, for defendant in error.

SHEPLEY, J. The principal question presented by the exceptions in this case arises upon the construction given by the court, in the charge to the jury, of the first clause of the thirty-fifth section of the bankrupt act. The defendant asked the court to instruct the jury that, under the first and second counts in the

plaintiff's declaration, plaintiff must prove that C. E. Paige, Jr., was insolvent in fact, and that the defendant had reasonable cause to believe him to be so ; and that it was not enough for the plaintiff to show under these counts that there was danger of insolvency as a coming result, or likely to ensue, but he must show that C. E. Paige, Jr., was insolvent in fact. Upon this prayer, the court instructed the jury, that, if they found that C. E. Paige, Jr., was insolvent, or contemplated insolvency, and paid debts to his father, and his father, the defendant, had reasonable cause to believe this, and that the son intended thereby to prefer him, the plaintiff could recover. Taken in connection with the request, and with the other portions of the charge, the court substantially instructed the jury that if Paige, Jr., was insolvent, or contemplated insolvency, and paid debts to the defendant, and the defendant had reasonable cause to believe that he was insolvent, or contemplated insolvency, and intended thereby to prefer him in fraud of the act, the plaintiff was entitled to recover.

This instruction makes it sufficient that the party receiving the fraudulent preference should have reasonable cause to believe that the debtor was contemplating insolvency. Defendant contends that it is necessary that he should have reasonable cause to believe him to be insolvent in fact, and that reasonable cause to believe him to contemplate insolvency is not sufficient to invalidate the fraudulent preference.

The literal reading of the thirty-fifth section would seem at first to sustain the instruction asked for by the defendant. "If any person being insolvent, or *in contemplation of insolvency*, within four months before the filing of a petition by or against him, with a view to give a preference to any creditor, or person having a claim against him, &c., . . . makes any payment, . . . the person receiving such payment, . . . having reasonable cause to believe such person *is insolvent*, and that such attachment, payment, pledge, assignment, or conveyance, is made in fraud of the provisions of this act, the same shall be void, and the assignee may recover the property, or the value of it, from the person so receiving it," &c. Was it intended by the omission of the words "*in contemplation of insolvency*," in the latter part of the section, that property paid by a debtor to his creditor in contemplation of insolvency, and with an intent to give a fraudulent preference, should not be recovered back, when the creditor

receiving it had knowledge of all this, and reasonable cause to believe it, simply because while he had reasonable cause to believe the payment to be made in contemplation of insolvency, he had not reasonable cause to believe the debtor to be insolvent in fact?

This construction would not give effect to the manifest intent of the statute, which is expressed by the words "that such attachment, payment, pledge, assignment, or conveyance, is made in fraud of the provisions of this act." "Contemplation" is not used in this first part of the first clause, in the thirty-fifth section, in the sense of meditation merely. It refers to the condition of a debtor who knows he will be unable to pay his debts as they become due, or who does not expect or intend to do so. Contemplating this, the debtor cannot pay one creditor to the exclusion of others, without a fraud upon the bankrupt act. Having reasonable cause to believe that the debtor contemplates this, the creditor cannot receive the payment without the liability to refund it, if the debtor is declared bankrupt, and the assignee brings the action, both within the time limited by the statute. In *Gibson v. Warden*, 14 Wall. 248, the court say, "To bring a case within the first clause, the act must have been done by a person insolvent, or in contemplation of insolvency, with a view to give a preference to a creditor or person having a claim against, or who is under a liability for, the bankrupt; and such person must have reason to believe that the transaction is in fraud of the statute." This appears to be the true construction of this clause, and it supports the instruction as given by the District judge.

Exception was taken to the ruling of the District judge upon the admissibility of certain evidence. The plaintiff called J. C. Harding as a witness, who testified that he was present at an interview between the defendant and the creditors of his son. Witness told defendant he had ruined his son's credit by writing a certain letter. Defendant took up a letter which he said was a copy of, or a letter the same as, a letter he had written to the New York creditors, and read it to witness. Witness was asked to repeat what the defendant read to him as the contents of the letter. Defendant objected, no notice having been given to produce the letter. The court permitted the witness to state his recollection of what the defendant read to him. The testimony was rightly admitted. The witness was not asked to state the

contents of the letter, but what the defendant stated to him to be the contents of the letter. It does not appear that the witness read the letter or knew its contents, except as the defendant stated them, and *non constat* that he stated them correctly. It was this statement that the witness was asked to repeat.

The jury returned a verdict for the plaintiff for the sum of thirty-five hundred and forty dollars and twenty-five cents, with interest from the date of the several payments, and then, in their verdict, gave the dates and amounts of the several payments making the aggregate sum. On motion for new trial, the court ordered a new trial, unless the plaintiff should, within one week, remit all interest prior to the date of his writ. The plaintiff thereupon, in open court, remitted as required, and the motion for new trial was overruled. To this ruling and order defendant excepted. There was no error in allowing the plaintiff below to remit the excess of interest, and in affirming the verdict after this was done. The right and duty of the court thus to amend the verdict, and give judgment according to the right of the cause and matter of law, as it shall appear to the court, is declared by the act of 1789, chap. 20, sect. 32, and affirmed in *Roach v. Hulings*, 16 Pet. 321, and *Parks v. Turner*, 12 How. 45.

Judgment of the District Court affirmed.

OCTOBER, 1873.

JAMES B. FORSYTH v. CHARLES M. CLAPP *et al.*

A patent for a wringer-roll consisting of india-rubber in which a woven, fibrous material is embedded, wound on a shaft so that the fibres extend out from the shaft into the body of the roll in curved radial lines, thus giving rigidity to the inner part of the roll, and tying it to the more elastic outer covering of india-rubber; is not infringed by the manufacture and sale of a wringer-roll in which separate strands of fibrous material embedded in india-rubber are looped about a wire wound so tightly around the shaft as to make part of it; and the ends of the strands extend out from the shaft in straight radial lines, thus fastening the rubber to the shaft without materially increasing the rigidity of the inner part of the roll.

BILL in equity to restrain alleged infringement of reissued letters-patent for a wringer-roll, dated Jan. 31, 1871. The original patent was granted to the complainant Nov. 20, 1866. The

claim of the reissued patent was for "a rubber roll whose interior is composed of vulcanized rubber mixed with fibres, where the fibres are arranged substantially as above described;" *i.e.* (as stated in the specification), "so that they will extend through the rubber radially from the shaft." The principal question in the case was, whether the defendants infringed. The construction and operation of the complainant's and defendants' rolls are stated in the opinion.

William Whiting, James E. Maynadier, for complainant.

Benjamin R. Curtis, George L. Roberts, for defendants.

SHEPLEY, J. Without at this time stating the conclusions at which the court arrived in relation to several questions presented in this case, it will be sufficient for the disposition of the cause to state the decision of the court upon the question of infringement. For a proper consideration of this question, it is necessary to consider the state of the art at the time of the alleged invention of Forsyth.

Rubber rolls for wringers were first made in the form of tubes or hollow cylinders, and expanded on to a plain shaft. Then attempts were made to secure the roll more firmly to the shaft, first by winding the shaft with wire, and afterwards with twine. An effort was made to secure a more lasting union to the shaft by forcing the tube upon a heated shaft. Next followed a mode of making the shaft itself of two or more parallel rods. The rubber rolls first made with a number of holes corresponding to the number of rods were forced on to these rods, which were then connected at their extremities. Canvas was also interposed between the shaft and the roll, and cemented to both. Various other devices appear to have been resorted to for the purpose of fastening more firmly the tube to the shaft. The purpose of all of these inventions was to make a more perfect connection of the elastic roll with the metallic shaft.

The difficulty which Forsyth thought he saw, and which he claimed had not been obviated by any of the other devices, was not so much the separation of the roll from the shaft at the lines or points of connection, as the tendency of the strain on the rolls when in use to a destruction of the body of the roll itself. His theory was, that while the connection of the shaft with the homogeneous body of the roll constricted on to the shaft was sufficient for all practical purposes in the use of a wringing-machine,

the real difficulty to be overcome was, that the particles of rubber in contact with the shaft separate and tear away from the rest of the rubber composing the body of the roll. He acted upon the hypothesis that while the various connections of the roll with the shaft were sufficient to withstand the strain, a portion of the body of the roll would break away from the portion retaining its connection with the shaft by a process of disruption or rending asunder of the body of the roll itself. He commenced, thereupon, a series of experiments, the object of which was to substitute for the homogeneous rolls in use a roll with a tougher, stronger, and less elastic substance in the interior than in the exterior portion of the roll. After trying various methods to accomplish this result by the addition of fibrous or other non-elastic material to the stock of which the interior of the roll was composed, he finally constructed a roll with fibrous material arranged in the interior portion of the tabular roll in a manner which in an expression proximately descriptive he calls radially. A sheet of cloth, with a thin layer of vulcanizable compound on each side of it, is first cut into long strips "bias," or diagonally across the threads or fibres of the cloth. Several of these long strips are placed upon each other and pressed together until the surfaces of rubber or vulcanizable compound are cemented and permanently united. The sheet thus formed is cut into strips or bands of suitable width to admit of their being easily wound on a mandrel, or the shaft of a roll, in such a manner that the fibres of the cloth will radiate from the mandrel or shaft. As shown by the drawing accompanying his specification, it is obvious that each thread would thus extend from the interior to the exterior of the fibrous portion of the roll in a curved radial line, the threads crossing each other, and such threads being nearer together at the core or axis, and separated further from each other as the distance from the core or axis increases. The roll is then made up to the desired size by winding rubber sheets around it coated with cement, when it is placed in moulds and subjected to the vulcanizing process, the rubber in its soft and plastic state filling up all the crevices around and between the layers and incorporating the parts together. In this way it is claimed that "*the tenacity of the roll and the degree of adhesion of the parts are much increased*, and the position of the fibre is better adapted to resist any tendency of the roll to become loose and turn on its shaft when subjected to a strain."

Charles McBurney had invented and manufactured at the works of the Boston Belting Company a tube substantially, if not precisely, like the tube of Forsyth. No appreciable material distinction can be discovered between the modes of making the McBurney and the Forsyth tube, or in the tubes themselves when made on a mandrel. McBurney's tubes and their mode of manufacture are represented by exhibits 10 to 14, inclusive. These tubes were made of all sizes, from three-quarters of an inch to several inches interior diameter, and from one-half inch to an inch and a half thickness of tubing, and sold in tubes to consumers. The purchasers cut them in sections or rings for stuffing boxes. Such a tube constricted on to a shaft would be Forsyth's roll. Forsyth does not describe any particular mode of connecting the tube with the shaft. He leaves that to be effected by any of the old and well-known processes in use. All that can with any show of reason be claimed for his roll is the combination of an old tube with an old shaft, in a mode which was old, to accomplish a new and useful result.

Treating it as a valid patent for this new combination of an old shaft with an old tube by old means of connection, for the purpose of considering the question of infringement in the light of the state of the art as existing when he made his roll, we now proceed to examine the construction of the Moulton roll as actually made, and relied upon as an infringing device. The Moulton roll, as manufactured by the defendants, was made by applying transversely to a sheet, or between two sheets, of vulcanized rubber, a layer or range of strands of fibrous material, and cutting this sheet into ribbons of the desired width at right angles to the length of the strands. These ribbons are folded in the centre, and a metallic wire is enclosed in the fold and wound spirally about the shaft under great torsion, from end to end between the journals, the wire being fastened to the shaft at each extremity. A cylinder or sleeve of rubber is applied over the surface, and the whole is subjected to a vulcanizing process until the whole mass of the roll is thoroughly compacted together. The wire is so tightly wound under pressure, that it, in fact, becomes a part of the shaft. The fibrous threads are, in fact, loops which pass into one orifice and out of another in the metallic shaft, their ends extending strictly radially into the body of the roll.

There is a radical and obvious difference in the function of the fibres in the two rolls. Their similarity consists in the fact, that the fibres in one are arranged in curved, radial, diverging lines, extending in a direction towards the periphery of the roll, and in the other in radial lines extending in the same direction. In both of them the effect of the fibres is more or less to diminish the elasticity of the interior portion of the resilient roll; but in the Moulton roll, as made by the defendants, not to any material, or to a scarcely appreciable, extent. Their difference consists in the function which they perform. The inner ends of the fibres in the Forsyth tube touch or nearly touch the shaft. They do not fasten the rubber compound to the shaft, or aid in fastening it. The ends of the fibres themselves are not fastened to the shaft except so far as they are cemented by the vulcanizable material. The vulcanizable material holds the ends of the fibres up to the shaft, instead of the fibres performing that function for the vulcanizable compound. The inner ends of the fibres in the Forsyth roll were attached to the rigid portion of the roll resting upon the shaft, and the outer ends extended from this rigid portion towards the circumference of the roll, thus tending to secure that "adhesion of the parts" of the roll to each other, at which he aimed, as well as to limit the mobility of the rubber into which they extend. If McBurney's tube, or Forsyth's, be constricted upon a shaft which is too small, or insufficiently cemented, or connected to the shaft by any of the then existing modes of connection in an imperfect manner, so that the shaft turns in the tube, that result would not be owing to the fact that the fibres of Forsyth failed to perform perfectly their function of confining the rigid portion of the roll to the more elastic portion of it, and of limiting the mobility of the rubber in which they are buried. So when the roll is subjected to strain by the passage of the sliver of cloth between the rolls of a wringer, causing the outer surface to be compressed in one place, and expanded in others, the fibres in the inner portion of the Forsyth roll do undoubtedly tend to prevent the body of the roll from being separated from the shaft; but they do not effect this result by reason of their attachment to the shaft preserving the connection between the shaft and the rubber, but by reason of their acting at the same time to preserve the form of the inner and more rigid portion of the tube, and keep up the adhesion of such parts with the outer portions where the mobility

and resiliency is greater. But perfectly as the fibres may perform this function, a tube imperfectly cemented to the shaft may still, for that reason alone, turn on the shaft in the Forsyth roll. Now, the loops or bows in the Moulton fibres enter the shaft, and the ends of the fibres extend like "staples" (which they resemble in form) into the body of the roll, for the purpose of securing the interior of the resilient body to the shaft. The fibrous loop is to be taken as a whole. The parts of the fibres which extend from the interior towards the exterior of the rubber roll would not operate to confine the rubber to the shaft without the loops. By none of the methods in use at the date of Forsyth's patent, of making the connection between the shaft and the rubber, was the connection made any more tenacious by presenting the ends of the fibre to the surface of the shaft. In some of them the presence of the ends of the fibres lessened the adhesion by as much as it displaced the rubber. The principal function of the fibres in the Forsyth tube, as before stated, is to make the inner portion of the tube more rigid, and to tie the more rigid to the more elastic portion of the tube. Now, in the Moulton roll, as manufactured by the defendants, the principal function of the fibrous loops is to tie the rubber to the shaft, and they do *not create any material rigidity* in the interior portion of the tube. The method of fastening in the Moulton roll is an inseparable part of the roll itself, being necessarily constructed and built up with the roll, and constituting the inner portion of the roll. It is not adaptable to Forsyth's tube, nor is Forsyth's tube capable of having Moulton's fastening applied to it. Because Forsyth borrowed from McBurney his method of constructing the interior of a tube with fibres of *cloth* arranged in radial curves, it would be the height of injustice to allow him to monopolize any use of fibres for any purpose whatever in a wringer-roll, if the ends of the fibres extended in a radial direction into the body of the roll. His reissued patent, examined in the light of the invention described in the original patent, if valid, must be limited to such a mode of introducing the fibres of a *woven* texture radially into the tube for the purposes indicated, without regard to the mode of fastening to the shaft.

The court will look beyond the mere form of words in the claim of a reissued patent into the specifications, in both the original and reissued patent; and even if on the face of the re-

issued patent it does not embrace any thing not described or suggested in the original, nevertheless, the court will ascertain whether there is any substantive invention adequate to support a claim ingeniously worded, not so much for the purpose of describing what the patentee really invented, as of grasping within its terms, some contrivance not within the knowledge or contemplation of the patentee, and for that reason, not by reason of inadvertence or mistake, not embraced in the claims of the original patent.

Comparing the two rolls, as we have done in some more essential particulars, and without recapitulating other points of difference, enough has already been stated to show, that, so radically different is the structure of the rolls, and the function of the fibrous material, and its mode of operation, that the Moulton roll, as manufactured by the defendants, is clearly no infringement upon any thing secured to Forsyth by his reissued patent, even giving to the invention claimed in that patent the fullest scope claimed for it in the evidence of Forsyth himself, and the expert testimony introduced by him.

Bill dismissed.

NOVEMBER, 1873.

Ex parte BENJAMIN J. GREELEY, Complainant in Equity.

Mere changes in the form and proportions of the parts of an old device, improving its operation without changing the mode of operation, and producing only a better result of the same kind, do not constitute a patentable invention.

BILL in equity, filed under the fifty-second section of the act of July 8, 1870, to reverse the decision of the Commissioner of Patents and the Supreme Court of the District of Columbia, rejecting an application of the complainant for a patent. The only question was as to the novelty of the alleged invention. The case is stated in the opinion.

J. E. Maynadier, for complainant.

SHEPLEY, J. This is an application for a patent for an alleged improvement in suspender-straps. The application was filed in

the Patent Office Sept. 13, 1869, with two claims which were rejected. On Dec. 16 they were withdrawn, and two others presented in lieu of them. These were rejected and withdrawn, and on the 23d of February, 1870, the present claims were presented. These claims were rejected by the examiner Feb. 28, and on appeal by the board of examiners April 27, and by the commissioner on appeal from the board, Sept. 17, 1870, and by the Supreme Court of the District of Columbia on appeal from the commissioner, May 3, 1871.

The bill in equity in this case is filed under the provisions of the fifty-second section of the act of July 8, 1870, and is virtually an appeal from the decree of the Supreme Court of the District of Columbia rejecting the application for the patent.

The applicant claims, in the second and most material and important claim to be considered in his application, "the metallic button-hole and link combined, above described, consisting of a single piece of metal, shaped as shown, so that the button used may be of a diameter greater than the width of the device." The first claim, which is for a combination of the combined button-hole and link with a piece of webbing with a button-hole at its free end and a slide, must stand or fall with the second claim. The question presented is, whether the references cited in the record anticipate the complainant's alleged invention of the metallic button-hole and link combined, as described and claimed in the second claim. The English patent of R. A. Brooman, granted in 1861, and cited in the references on the record, is for a combined link and button-hole. It has, *first*, a link for the purpose of attachment to the web; *second*, an enlarged body of the device to admit the insertion of the button; *third*, a loop at the bottom for retaining the button. This loop at the bottom also performs the function of admitting the button to pass more easily through the enlarged opening made to receive the button, by receiving the shank of the button as the button is being passed through the opening.

The device of Greeley has, *first*, a link for attachment to the web; *second*, an enlarged body of the device for the insertion of the button; *third*, the loop at the bottom for retaining the button. Each one of these stands in the same relation to the others, and performs the same function in Greeley's as in Brooman's device. The same elements enter in the same relations into the

same combination, and they operate in the same way separately, and as a combined device. In Greeley's device, the opening to receive the button has its greatest diameter in a direction at right angles with the link; while in Brooman's, the longest diameter is in a direction parallel with the link, so as to admit the button in a direction at right angles with the direction in which it is admitted in Greeley's. To accommodate this change of direction, loops are also made on each side of the opening, as well as on the bottom, to receive the shank of the button as it is being passed through the metallic loop. This adds much to the convenience of the device, and works better in use, and receives a button sideways. It is contended that it is impossible to use a button with Brooman's device whose diameter is greater than the width of the device; and no change in the relative proportion of the parts will make it possible. Width is used by the claimant to express the shorter diameter of the device as a whole, and not the shorter diameter of the operative part. It is easy to see that Brooman's device may be elongated, so as to receive sideways a button of greater diameter than the width of Brooman's device. Neither of them will admit a button of greater diameter than the length of the opening. In their relation to the button, the parts of the device intended to receive the button are to be considered, and in each of them the opening made to admit the button is longer than the diameter of the button in the line of the plane through which the button enters, and less than the diameter of the button measuring at right angles with that line. The differences between the two devices are merely structural changes. Such structural changes of form and proportions, although they improve the operation without changing the mode of operation, and produce a much better result, although one of the same kind, are only different and better forms of embodying the same idea, and illustrate the difference between mechanical skill and inventive genius.

As compared with Brooman's invention, the complainant's device, as a combined device, is not a novel one, but possesses the same elements, operating in the same way to produce the same result, and is not patentable.

Bill dismissed.

DECEMBER, 1873.

VICTOR E. MAUGER v. THE HOLYOKE MUTUAL FIRE INSURANCE COMPANY.

Policies of insurance are to be construed largely according to the intention of the parties, and for the indemnity of the assured, and the advancement of trade.

The intention of the parties may be shown by evidence of facts and circumstances existing when the insurance was effected, but not stated in the policy.

HEARING upon the report of an assessor appointed to assess damages after a default. The suit was brought to recover for a loss under a policy of insurance issued by the defendant. The only question in the case was as to the interpretation of several policies of insurance, the material parts of which are stated in the opinion.

Abbott & Jones, for plaintiff.

Ives & Lincoln, for defendant.

SHEPLEY, J. The question in this case arises upon the facts stated in the report of the assessor appointed to assess damages upon a default.

On the 20th of April, 1872, the assured (Armstrong & Co.) effected insurance to the amount of \$3,000, "on their new lithographic printing-press, contained in the fourth story of brick building situate No. 13 Bowker Street, Boston, Mass. It is understood that \$300 of the amount shall attach on hand-presses." Just before effecting this insurance, Armstrong & Co. had purchased a new lithographic-press worth \$3,500, and of a smaller size than the one subsequently purchased, and referred to in the defendant's policy. Permission was given July 3 for removal to fourth and fifth stories of stone and brick building corner of Milk and Devonshire Streets, Boston. On the twenty-eighth day of June following, Armstrong & Co. procured insurance to the amount of \$4,000 "on their lithographic-presses and ink-mill, with shafting and belting connected therewith, contained in the fourth and fifth stories of stone building 57 Milk Street, corner of Devonshire Street." At this date Armstrong & Co. had two steam lithographic-presses and several hand-presses.

Oct. 30, 1872, Armstrong & Co. purchased the steam litho-

graphic-press, described in defendant's policy now in suit, which insured them in the sum of \$4,300, from Nov. 1, 1872, to Nov. 1, 1873, "on their Hugh & Kimbers No. 6 steam lithographic-press, size 30×40, situate in chambers of granite and brick building, situate No. 57 Milk Street, corner of Devonshire Street," payable, in case of loss, to the plaintiff.

By the terms of that policy defendant is liable to pay the plaintiff three-fourths of the value of that property on the twenty-second day of January, 1873, being sixty days after the date when proof was made of the loss by fire, which occurred on the tenth day of November, 1872, unless that amount is to be reduced under the provisions of the following clause in the policy: "In case of any other contract of insurance upon the property hereby insured, whether such contract be valid or not, as against the parties thereto, or either of them, the assured shall not, in case of loss or damage, be entitled to recover of this company any greater portion of the loss or damage sustained than the amount herein insured shall bear to the whole amount insured on said property."

At the time of the fire, Armstrong & Co. had in their chambers, 57 Milk Street, corner of Devonshire Street, three steam lithographic-presses; also hand-presses and ink-mill, and shafting and belting.

Defendant contends that all the policies attach to the press last insured, and that the clause in relation to double insurance is applicable in adjusting the loss.

That the policy of the 20th of April did not attach, is too clear to require any argument or authority. That was in effect an insurance of \$2,700, upon a specific steam lithographic-press, described as the new one contained in the fourth story of brick building situate No. 13 Bowker Street, and of \$300 on hand-presses. No possible construction of the language could make this insurance cover any other steam lithographic-press than the then new one thus specifically described.

The language of the second policy of June 28, 1872, "on their lithographic-presses and ink-mill, with shafting and belting connected therewith, contained in the fourth and fifth stories of stone building, 57 Milk Street, corner of Devonshire Street," is not so specific. Policies of insurance are to be construed largely according to the intention of the parties, and for the indemnity

of the assured, and the advancement of trade. Facts and circumstances *dehors* the instrument may be proved in order to discover the intention of the parties. *Stacey v. Franklin Fire Ins. Co.*, 2 Watts & Serg. 506. This was the case of an insurance upon "merchandise generally, including liquors and groceries contained in store No. 37 South Wharves, for use of whom it may concern, say merchandise without exception." A second insurance was effected in another company, "on coffee and other merchandise, without exception, either on board the John Sargeant at this port, or in the brick store No. 37 South Wharves, in the city of Philadelphia." A loss happened by fire on goods in the store No. 37, not brought in the John Sargeant, or landed therefrom. After admitting evidence outside of the policy of facts and circumstances to show the intention of the parties as to the second policy being a specific insurance on other goods not covered by the first, it was held, that, as thus explained, there was not necessarily a double insurance, but that the first might be on goods generally in the store, and the second on specific goods brought by the John Sargeant, or landed in the store therefrom. Explaining the policies in this case in the light of the attending facts and circumstances at the time they were effected, the intention of the parties is arrived at without difficulty. The first policy was clearly on the new steam lithographic-press, definitely described and located. The policy of June 28, was on the two lithographic-presses then in the chambers corner of Milk and Devonshire Streets, and was not intended to apply, and did not apply, to any steam lithographic-presses to be subsequently placed there. It was not a floating policy on a stock of merchandise in a store, bought for sale, and with the intention of replacing it as sold, and keeping the stock good; but on specific machinery, intended for permanent use in the location described. It was not expected or intended to embrace, and the literal meaning of the words used does not embrace, any presses not then in the building. It could only embrace such presses subsequently placed in the building, if explained by facts and circumstances *dehors* the policy, and the facts and circumstances do not thus explain it, or aid such a construction. The policy of Oct. 30 is specifically upon the third steam lithographic-press not in the building when the other insurances were effected, and not within the description

in those policies. There was, therefore, no double insurance. The assessor, holding that the insurance procured April 20, 1872, and June 28, 1872, does not apply to the property covered by defendant's policy, has assessed the damages at \$3,450, with interest thereon from Jan. 22, 1873. His report is confirmed, and judgment will be entered accordingly.

Judgment accordingly.

DECEMBER, 1873.

WALTER DONALDSON *et al.*, Claimants, Appellants, v. JAMES E. McDOWELL *et al.*, Libellants.

The ship has a privilege against the cargo for damages in the nature of demurrage, enforceable in the admiralty, when the cargo has not been received within a reasonable time, through fault of the consignee, although the bill of lading contains no demurrage clause.

ADMIRALTY appeal from a decree of the District Court. The claimants shipped at Elizabethport, N. J., on the brig Hyperion, a cargo of coal, owned by them, and to be delivered to them as consignees at Phillips' Wharf in Salem, Mass. The bill of lading contained no demurrage clause. The brig arrived at Salem July 26, and on the same day the master notified the consignees' agent, at Phillips' Wharf, of his arrival and readiness to discharge, and demanded a berth. Another notice was given to the consignees in person, July 28. No berth was furnished till Aug. 2, when the brig began to discharge. The discharge continued at a very slow rate, owing to the negligence and delay of the consignees, (the coal being removed from the wharf as soon as discharged), until Aug. 6, when the cargo was libelled for freight and demurrage. On the 10th it was released, and discharge was completed on the 12th. In the District Court a decree was entered for the libellants, and the claimants appealed.

Joseph Nickerson, for appellants.

F. L. Hayes, for libellants.

SHEPLEY, J. This appeal from the decree of the District Court in admiralty presents the question, whether the ship has a privilege against the cargo for damage, in the nature of demurrage, when the cargo has not been received within a reasonable time,

through the fault of the consignee. The consignees in this case, although not nominally in the bill of lading, yet, in fact, were the shippers of the cargo. Appellants contend that as the bill of lading contains no express contract concerning demurrage, the law will not imply one against the consignee.

When the bill of lading contains no provision for the payment of demurrage, courts of common law have generally held that the consignee, or his assignee, is not liable for demurrage, even after receipt of the goods. *Smith v. Sieveking*, 5 E. & B. 589; *Young v. Moeller*, 5 E. & B. 755; *Gage v. Morse*, 12 Allen, 410. But when the bill of lading has contained a stipulation for demurrage, either expressly or by reference to the charter-party, the acceptance of the goods has been held to be evidence of an agreement by the consignee to pay demurrage as well as freight. Chief Justice Mansfield said, in *Jesson v. Solly*, 4 Taunt. 52, "If the consignee will take the goods, he adopts the contract." The reason given in the cases first cited is, that as the consignee is not a party to the contract in the bill of lading, and is only liable upon the contract, which may be implied upon the actual delivery of the cargo and waiver of his lien by the master, he is not bound to accept the cargo at any particular time, and incurs no responsibility by a refusal or delay in accepting it; and that the contract implied from its acceptance can extend no further than the conditions upon which its delivery is made dependent by the bill of lading. This enables the consignee unreasonably to refuse or delay to receive the goods when the master tenders delivery, and thus subject the ship to expense and delay; while the consignee may subsequently claim the goods on payment of the stipulated freight, and receive them without any liability to pay the damages occasioned by his own neglect or refusal. The reasoning in these cases is not very satisfactory, and the result is to exempt the consignee from liability to an action at law for the consequences of his own neglect. Since the decisions in the English courts relied upon in support of this doctrine, the English bills of lading act, 18 & 19 Vict. cap. CXI, I, provides that "Every consignee of goods named in a bill of lading, and every indorsee of a bill of lading to whom the property of the goods therein mentioned shall pass, upon and by reason of such consignment or indorsement, shall have transferred to and vested in him all rights of suit, and be subject to the same liabilities in

respect of such goods as if the contract contained in the bill of lading had been made with himself." Under this statute the assignee who receives the cargo has all the rights and bears all the liabilities of a contracting party. See *Smurthwaite v. Wilkins*, 11 C. B. N. s. 842. Independent of the bills of lading act, the English and American courts have held, that, where the consignee is the *freighter*, he is held liable to the vessel for any unnecessary detention in loading or unloading, although no express contract is made on the subject. *Sprague v. West*, Abb. Adm. 548; *Holt on Shipping*, part 3, chap. 1, sect. 25.

In *Horn v. Bensusan*, 9 Carr. & Payne, 709, it was admitted that the ship-owner, on a special count in the declaration for not loading or unloading in a reasonable time, could recover damages for detention of the ship against the consignee. In the case before the court, it clearly appears that the title of the coal was in the claimants, and that they were in fact the freighters of the coal. The master testifies that he received his order for the coal from the claimants in New York; that he delivered that order to the Scranton Coal Company, and they gave him orders to take to Elizabethport, to the Scranton Coal Dock. Upon this state of facts, the consignees being also the shippers of the cargo, I see no reason why the ship-owner could not recover, by a libel *in personam*, against the consignee, demurrage occasioned by his neglect in the unlivery of cargo. Under such circumstances, in the case of *Crerar v. The Montreal Ocean Steamship Co.* (not yet reported), Judge Fox awarded damages for demurrage of the ship, occasioned by the delay of the defendants as consignees to take delivery seasonably of a cargo of coal which the ship-owner was ready and offered to deliver; and the decision was affirmed on appeal to the Circuit Court by Mr. Justice Clifford.

Whatever the personal liability of the consignee, simply as consignee receiving the cargo, may be in a court of common law, there can be no reasonable doubt of the liability of the cargo in a proceeding *in rem* in the admiralty for demurrage, when the delay is occasioned by the freighters of that cargo, or the consignees who receive that cargo. Demurrage is only an extended freight or reward to the vessel, in compensation for the earnings she is improperly caused to lose. Every improper detention of a vessel may be considered a demurrage, and compensation under that name be obtained for it. 2 Hagg. Adm. 317. It is a maxim

of the general maritime law, that the ship is bound to the merchandise, and the merchandise to the ship. Valin, Comm., book 3, tit. 1, art. 11, tit. 3, art. 24; Pardessus, Droit Com., arts. 709, 961. The law-merchant considers that the master contracts rather with the merchandise than the shipper, and it necessarily follows from this, that the merchandise is liable for whatever the shipper is liable. As in this country courts of admiralty have frequently exercised their jurisdiction to enforce the privilege where the cargo has been libelled for freight, general average, and other charges, there seems to be no just ground for making an exception, and refusing a remedy for a violation of duty and right in the case of demurrage, which, under circumstances like those in the present case, is as much a charge or damage which the master may lawfully demand, and for which he has a privilege against the cargo, as the freight itself, of which demurrage is only an extension.

Decree of District Court affirmed, with interest and costs.

DECEMBER, 1873.

CHARLES L. POTTER v. OSCAR S. THAYER *et al.*

It is not a patentable invention to substitute in a device for securing a button-head or stud to a helical shank, a disk soldered to the shank and sunk in the head or stud, and having a serrated edge to keep it from turning, in place of a disk so soldered and sunk, having a smooth edge.

A patent for a device for attaching a button-head to a helical shank by means of a disk with a smooth edge, soldered to the shank and sunk in the button-head, in combination with one or more cross-bars secured to the shank or head and resting in grooves in the bottom of the head radial to the shank, is not infringed by a stud in which a disk with a serrated edge to hold it in place is soldered to a helical shank and sunk in the stud-head.

BILL in equity to restrain alleged infringement of letters-patent for a device for attaching the shanks to mineral and composition buttons, granted the complainant Dec. 13, 1870; and for an account.

B. F. Thurston, W. W. Swan, for complainant.

Carroll D. Wright, J. E. Maynadier, for defendants.

SHEPLEY, J. Complainant is the patentee of an improvement

in devices for attaching the shanks to mineral and composition buttons. Oscar S. Thayer, one of the defendants, has also taken out a patent of a subsequent date for an improvement in shirt-studs, which related to the method of securing the helical screw more firmly to the button of a shirt-stud by means of teeth formed on the edge of the cup which is sunk into the button.

The method first adopted of securing the helix of wire to a shirt-stud or button, was to solder the wire to a small disk of metal. This disk was then dipped in cement, and pressed closely into the hole sunk in the stud. The hardening of the cement held the disk firmly in the hole. Afterwards the use of cement was dispensed with, and the metal disk was made cup-shaped. The wire was soldered to the convex side of the cup-shaped disk. The cup was then placed in the hole in the stud, and a small tool was used to flatten the cup, and cause its edges to force themselves into the material of the stud. Defendant makes his disk and places it in the hole in the same way, and flattens it with the same tool; the only difference being that the edge of his disk is roughened or serrated, to overcome the liability of the disk to be turned in the hole by the action of screwing the helical shank into the hole in the shirt.

The complainant makes use of the same device of a disk soldered to the shank, to be inserted in the same way into a circular cavity in the bottom of the button, and held by cement, or bur-nished down at the edge; but, in addition thereto, he employs a metallic cross-bar, which is soldered to the plate or shank, and is let into channels cut in the bottom of the button radial to the shank. The ends of the cross-bar are also bent, to enter holes drilled in the button-head at the ends of such channels.

The object of the complainant's invention was to obviate the difficulty which had been experienced in attaching such shanks to the head so as to prevent them from becoming loosened by the operation of screwing in and out the button.

Complainant contends that defendants' serrated disk is the equivalent of his combined base-plate, or disk, and cross-bar. His position, substantially, is, that any projection from the periphery of the disk would be an equivalent of his cross-bar. If his patent were to receive a construction as broad as contended for, it could not be sustained, for it would then be a patent for substituting for a circular disk that turned in a circular hole, a

form of disk and hole other than circular. If the difficulty to be obviated was that the circular disk attached to the shank became loosened and turned in the circular hole in the operation of screwing in and out the button, it required no invention to substitute for the circular disk a square or triangular one, or one of any form not circular. This is what Thayer has done, and it is very difficult to see sufficient invention to support his patent for a mere substitution of a serrated edge which is forced into cavities which it makes in the button, or cavities made to receive it, for the circular edge which had been before used. It required no invention in the complainant merely to substitute a form of disk not circular for the old circular disk. This is what is done whenever a mechanic uses a spline or fin to prevent one thing from turning upon another. The complainant did not do this merely. With reference to the materials to which his shank is intended to be applied, ("mineral and composition buttons,") he found that there were practical difficulties in making the hole in the stud square or triangular or polygonal, as the hole could only be made cheaply by boring. But, by the tools in common use, a slot could be sawed or cut across the hole, and, if necessary, other holes bored at the extremity of the slot to receive the bent ends of the cross-bar which fitted into the slot. For this combination his patent can be supported; but his claim cannot be sustained upon a construction broad enough to cover any form of disk which is not circular. As it required no invention in the state of the art as it existed at the date of complainant's invention to substitute a disk with a serrated edge for the old disk with a circular edge, and as this is all that the defendants have done, they cannot be considered as infringing upon his patent, which is for the combined cross-bar and disk, both disk and cross-bar being arranged as described in his patent.

Bill dismissed.

DECEMBER, 1873.

ANDREW H. HAMMOND *et al.* v. THE MASON & HAMLIN ORGAN COMPANY.

An inventor of a combination of mechanical devices, some of which were covered by prior patents of his, on the day of his application for a patent, executed: 1st, An absolute assignment to the defendant of all his "right, title, and interest in and to said invention, and letters-patent which may issue therefor;" 2d, An agreement with the defendant corporation granting to it the right to make, use, and sell the said invention, in connection with so much of the inventions secured by the prior patents of the grantor, dated respectively Nov. 18, 1856, and June 10, 1862, "as is contained in the said mechanism;" the defendant agreeing to pay a certain royalty for each and every mechanism substantially the same as that described and shown in the specification, drawing, and model accompanying the application, for the term for which the patent should be granted; 3d, An agreement reciting the above assignment and agreement, and providing that if the defendant corporation should fail to obtain the said patent, the inventor would, and by the agreement did, grant unto the defendant "the exclusive right under the said letters-patent already granted, and under any and all reissues thereof, to make, use, and sell the specific mechanism described in the said application, and the specification, drawings, and model accompanying the same," &c. The patent applied for was not granted. After extension and reissue of the patent of Nov. 18, 1856, the purchasers of it brought suit to restrain the manufacture and sale by the defendant of the combination described in the application, on the ground that it embodied the invention covered by that reissue. *Held*, that, by the above assignment and agreements, the defendant had acquired the right to make, use, and sell, without regard to the granting, reissue, or extension of any patents, and without limitation of time, the specific devices contained in that specific combination.

BILL in equity for an injunction to restrain alleged infringement of reissued letters-patent for an improvement in melodeons or reed instruments, granted El Dora Louis, as administratrix of La Fayette Louis, July 25, 1871; and for an account. The original patent was granted to Louis Nov. 18, 1856, and extended for an additional term of seven years. The defendant pleaded in bar a license from Louis, the patentee, by virtue of certain agreements between it and Louis, the material parts of which are stated in the opinion.

B. E. Valentine, for complainants.

Frederic H. Betts, for defendant.

SHEPLEY, J. This is a bill in equity by the complainants as assignees and owners of the letters-patent reissued to El Dora Louis, as administratrix of La Fayette Louis, on the 25th of July, 1871, for an improvement in melodeons or reed instruments, con-

sisting of the application of mechanism to produce a "tremolo" in the musical note on said instruments. The original patent to La Fayette Louis was issued Nov. 18, 1856.

Defendants, by their plea, admit that they manufacture and sell, in connection with their own organs, tremolo attachments made precisely in accordance with the specification, drawing, and model of an application for letters-patent dated Sept. 25, 1868, made by La Fayette Louis, the assignor of the complainants. The plea admits, for the purposes of this hearing, that this mechanism embodies the invention described in the patent of said Louis on which this bill in equity is brought. The plea sets up a justification in using these mechanisms under a license under the original patent granted by Louis to Mason & Hamlin, the assignors of these defendants, and also under a series of contracts between Louis and the defendants themselves relating to the specific device used by them.

It is not necessary to consider the questions discussed at the bar in relation to the license set up in the plea under the original patent, as we are satisfied that the defendants are protected under their agreements with Louis, dated Sept. 25, 1868.

It appears that Louis, prior to the 25th of September, 1868, made an invention of a combination of the fan-tremolo with a rotary wind-wheel, and applied for a patent for this combination. On the same day he entered into three contracts with these defendants. The first was an absolute conveyance to the defendants of all his "right, title, and interest in and to *said invention* and letters-patent which may issue therefor," and authorized the Commissioner of Patents to issue said patent to the Mason & Hamlin Organ Company, as the assignees of all his right, title, and interest in and to *said invention* and letters-patent.

The second agreement grants to the defendants the right to make, use, and sell the invention above named and assigned to them, as above stated, in connection with so much of the inventions secured by the letters-patent of Nov. 18, 1856 (on which this suit is brought), and by a patent of June 10, 1862, "as is contained in the said mechanism." The defendants agree to pay a royalty for each and every tremolo mechanism substantially the same as that described and shown in the said application and accompanying specifications, drawing, and model, until the expiration of the term for which the said letters-patent shall be granted,

referring to the letters-patent for which application was on that day made. This contract provided for one contingency; that was, the granting of letters-patent on the application then made. The invention and the right to use the specific mechanism had been conveyed to the defendants. If, by the granting of letters-patent to them as assignees of Louis, they should obtain the *exclusive* right to use the invention, then, in such case, they were to pay Louis a royalty of one dollar for each tremolo manufactured by them during the term of the patent. The contingency contemplated did not happen. Letters-patent were not granted for the combination applied for.

The third agreement provided for another contingency, namely, the failure of the defendants to obtain a patent for the invention of 1868; which is the case as it now exists. This agreement provided "that whereas the said Louis has invented an improvement in keyed reed musical instruments, and has this day executed his application for the grant of letters-patent of the United States to secure the same, and has also made and executed an assignment thereof to the said Mason & Hamlin Organ Company, and a license to make, use, and sell the mechanism described in the specification, drawings, and model accompanying the said application, under letters-patent originally issued as No. 16,094, and dated Nov. 18, 1856, and subsequently reissued as No. 2,498, dated Feb. 26, 1867, and again reissued as No. 2,944, dated May 26, 1868, and also under letters-patent numbered 35,528, and dated June 10, 1862. Now, therefore, in consideration of one dollar to him paid, and for other good and valuable consideration, the said Louis hereby covenants and agrees with the said company, that if the said company fail to procure said letters-patent for which application has been executed as aforesaid, then he the said Louis will, and does hereby, grant unto the said Mason & Hamlin Organ Company the exclusive right under the said letters-patent already granted, and under any and all reissues thereof, to make, use, and sell the *specific mechanism* described and set forth in the said executed application and the specification, drawings, and model accompanying the same."

Taking into consideration the three contracts, it is plain that Louis had invented a new combination of the old parts patented by him. He applied for letters-patent for this new combination. He conveyed to defendants for a valuable consideration, and

unconditionally, the invention, and the right to make, use, and sell the specific mechanism described in the application, including the old parts as well as the new combination. If the defendants succeeded in obtaining a patent for the new combination, they were to pay a royalty in addition to the consideration they had already paid for the invention. But if no letters-patent could be obtained, the defendants were none the less the owners of the right to make, use, and sell the "invention" and "the mechanism it contains," and "the specific mechanism" described in the application. Independent of the granting, reissuing, or extension of any letters-patent, without limitation of time, they had purchased and taken a conveyance of the right to make, use, and sell those specific devices in that specific combination. This is what they do use, and this only, and this they have a right to use. Their right is not limited to the term of the original patents embracing the parts of the combination. It is true that the third contract, in case of failure to obtain a patent for the new combination, grants to the defendants the *exclusive* right, under the patents already granted for the parts, to make, use, and sell the specific mechanism described in the application for letters-patent for the new combination. But they had the right to use this specific mechanism. The license under the old patents was only intended to make this right exclusive. Their exclusive right under them might end with the expiration of the term of the old patents, but their right was independent of their existence or duration.

Bill dismissed.

MARCH, 1873.

P. B. GOODSSELL *et al.* *v.* H. S. BRIGGS *et al.**

In appraising the value of an importation, the appraisers are not bound by prior appraisals of the value of goods of the same kind imported by the same party.

The Circuit Court has no authority to enjoin the appraisers from taking evidence anywhere as to the value of an importation.

The court refused to enjoin the appraisers of the value of an importation of gloves, from carrying out of the District into which the importation was made, samples of the gloves, for the purpose of obtaining evidence as to the value of the importation.

[* This case was not received in time to report in regular order.]

MOTION for injunction. The original bill was against the appraisers of certain importations of the complainants. It alleged that the complainants, as a firm, were manufacturers at Naples, Italy, of a peculiar kind of glove, and imported the same to Boston, Mass.; that several controversies had arisen between the complainants and the customs officers of the United States as to the true market value of the gloves at Naples; that in 1872, according to an arrangement with the Secretary of the Treasury, one of the complainants went to Naples and obtained evidence of the market value of the gloves there; that upon his return a hearing was had before the general appraiser as to said value, which hearing was understood by the United States authorities and the complainants to be final, and end all controversy as to the value of the gloves; that the decision upon the hearing was that the gloves imported were invoiced at the proper value, and accordingly the duties on all such importations up to Jan. 1, 1872, were paid, and the bonds therefor cancelled; that in March, 1873, and at sundry times afterward, the local appraiser had marked up the value of importations of gloves by the complainants, notwithstanding the former final decision of the value of such importations, and although the gloves were of the same quality as those previously imported by the complainants, and the value thereof in Naples had not changed; that the appraisers had appointed a hearing to be held in New York, at which evidence was to be taken by the appraisers as to the value of the importations since Jan. 1, 1872; that the complainants had protested against any hearing in New York. The bill prayed that the appraisers be enjoined from removing the goods to New York; and from holding any hearing there as to the value of the complainants' said importations, except by interrogatories and cross-interrogatories under a commission; and that the general and merchant appraisers be enjoined from holding further hearings as to such value; and that the local appraiser be enjoined from marking up the value of said importations. By supplemental bill, the complainants charged that the collector of Boston had authorized the removal of some of the complainants' goods to New York, and that they had been removed by the general appraiser; and prayed that the collector be made a party defendant, and that the general appraiser be ordered forthwith to return the goods to the storehouse in Boston; otherwise the prayer of the supplemental bill was as in the original bill.

The collector, by his answer, denied that he had ordered, or intended to order, removal of the complainants' goods. The local appraiser made affidavit averring that all acts done or proposed to be done in the premises were authorized by instructions of the Secretary of the Treasury; and denying that any of the complainants' goods had been removed to New York, except samples, removed before the original bill was filed; which samples were necessary for use in taking evidence in New York as to the value of the importations.

B. F. Butler, John A. Loring, for complainants.

F. W. Hurd, for defendants.

LOWELL, J. It is a very useful function of courts of equity to restrain vexatious litigation by enjoining a renewal of a contest which has been fully settled between the same parties. The bill makes out a case which might well call for such interference, if the complainants' rights have been definitely and forever adjudicated, as they allege, and if the appraisement of different goods heretofore imported by them were analogous to a suit between them and the United States. But it must be admitted that each importation is a new case, on which the appraisers are to pass judgment, and on which they may take new evidence; and no court has ever undertaken to say that one, two, or any number of former appraisements made the matter *rem judicatam*, and estopped further inquiry. If this analogy could be made out, there could never be more than one appraisement of the same class of goods of the same importer, however mistaken the first might have been. This rule would work as harshly for the merchant as for the government, for it is the right of both to have every invoice appraised on its own merits. Besides, it would be necessary to show that the goods were in fact precisely alike, and that the market value in the country of exportation had not changed; which are among the very facts which the appraisers are appointed the sole tribunal to decide, with no appeal to this or any other court. If oppression is exercised by vexatious and unfounded examination and re-examination of questions really the same, though nominally different, I know of no judicial remedy, though there may be others. It is clear that in appraising these goods the officers are acting within the scope of their authority, and that I have no power to enjoin them from using their judgment in the premises.

It seems to be within the scope of the appraisers' powers to obtain evidence wherever it is to be found. The statute says they are to ascertain, estimate, and appraise the value by all reasonable ways and means in their power, and it gives them power to summon witnesses and take depositions. The bill says they cannot take evidence out of this judicial District; which may be true in one sense, that is, they may not be able to oblige witnesses to attend out of the District. But they have the right to inform themselves; and if witnesses will attend and testify in New York, they may take their testimony, *ex parte*, if they choose; and the notice to the complainants is a matter of courtesy and fairness, upon which they may take such action as they think best. It is a commendable practice, and one which, I understand, is always followed, as it should be, to give the importer an opportunity to see and examine the witnesses; but I know of no law which requires it, or which obliges or would justify the appraisers to overlook any evidence which they can reasonably obtain, though it may put the government and the importer to some trouble and expense, if the evidence is important enough to warrant it. It is all a question of judgment and discretion. If the complainants have procured evidence in Naples, I know of no reason why the appraisers may not seek it in New York. Nor do I know of any law which requires it to be taken on written interrogatories filed in this District, or indeed that it can be so taken.

On the only remaining subject-matter of the prayer I remain of the opinion expressed to both parties at or just after the argument. If the case were made out that the defendants were about to remove a large and valuable part of the complainants' goods to New York, they would be acting beyond their jurisdiction, and I do not know that I should not feel bound to restrain them. If they can remove one package in every ten, they can remove the other nine, and the complainants would have no adequate remedy. On the question whether the action against the officer would be adequate, I expressed some doubt; but it would not be so, I am satisfied, in many cases. But there are some circumstances which make it improper, in my judgment, to issue the writ at this time. I see no legal objection to the appraisers taking so much of the goods as would serve for samples, unless in some very unusual and extraordinary case, where the mere specimens would be of great value. If they cannot do this, they cannot

take the testimony to any purpose. Now the local appraiser makes oath that only samples have been taken; and though this is denied by the complainants on oath, yet their statement is made, as it almost necessarily must be, on information and belief only, while the appraiser ought to know whereof he affirms.

I have not had time to make a thorough examination of the law of the case, though I have read many important cases. I assume that the Circuit Court will never interfere with the ordinary action of the administration of the customs laws by the proper officers, and have no jurisdiction to do so. I assume, further, that if the officers do an act which is beyond their jurisdiction, and is a mere usurpation, the court may interfere by injunction, if the case seems to require it.

By one of the statutes concerning internal revenue the courts are prohibited from restraining the assessment or collection of any tax, — meaning, I suppose, a tax under those laws; and I do not understand that the Circuit Courts have ever exercised a power of restraining collectors of customs from assessing or collecting duties. The remedy by action is not only plain and adequate, but exclusive, in most cases. I have seen no case in which such a writ has been issued, except by consent, though there may be such. But to take away the property of the tax-payer, not in assessing or collecting a tax, but for some incidental purpose, or to destroy it, or to give it away, is not either assessing or collecting a tax. And I am at present inclined to think that there is jurisdiction in such a case, whether the officer be acting in the internal or the customs service.

Motion denied.

JANUARY, 1874.

CYRIL C. CHILD v. THE BOSTON & FAIRHAVEN IRON WORKS.

A new combination of old mechanical devices, producing new results, or old results by a new method of operation, is patentable.

The patent granted Charles Montague, assignor to Cyril C. Child, Dec. 21, 1869, for an improvement in printing-presses, held valid.

BILL in equity to restrain alleged infringement of letters-patent for improvement in printing-presses, granted Charles Montague,

assignor to the complainant, Dec. 21, 1869. The defendant admitted the manufacture and sale of presses containing the patented improvement, but denied that Montague was the original and first inventor, and denied that it was new. The patented improvement consisted in a combination of mechanical devices, all of which were old; and the principal question in the case was whether the combination claimed was new.

B. F. Thurston, E. P. Brown, for complainant.

T. M. Stetson, for defendant.

SHEPLEY, J. Letters-patent numbered 98,087 were granted Dec. 21, 1869, to Charles Montague, assignor to Cyril C. Child, for improvement in printing-presses. This invention consisted; "First, in the use of a vibrating lever for moving the type-bed, constructed in two parts, one of which is made to slide out and into the other, somewhat like the joints of a telescope, so that the upper end of the lever may be attached directly to the under side of the bed, (dispensing with the use of a link), and move in a direct line with the bed, the upper portion of said lever moving out of or into the lower portion, as the distance of the fulcrum of said lever to the point of attachment to the bed is greater or lesser in the different parts of the movement of the bed."

The complainant's claim is for the extensible vibrating lever in combination with a reciprocating type-bed, substantially as described.

Defendant admits the manufacture and sale of printing-presses containing the extensible vibrating lever in combination with a reciprocating type-bed, as described in complainant's patent.

The answer sets up in defence that Montague was not the original and first inventor, and also that the invention set forth in the complainant's patent had been in public use for more than two years before the application of Montague. To sustain the defence of prior knowledge and use, defendant undertakes to prove that one B. F. Leonard was the inventor. Leonard was in the employ of the defendant as its superintendent at the time that the defendant constructed for Montague the first printing-press known by the name of the "extension press," which embodied the invention of the extending vibrating lever in combination with the reciprocating type-bed. This press was made for Byington & Co., and was used in printing the "Norwalk Gazette," in the

summer of 1867; and it is clear from the evidence in the record, that Montague had conceived the idea of substituting the extensible vibrating lever for the lever-and-link connection previously used, as early as 1865, and had made drawings in that year clearly describing the invention, although, from the opposition he encountered from defendant, which was then building his presses under contract with him, he did not embody his invention in a practical working machine until the press was made for Byington & Co., in 1867. Leonard never seems to have claimed to have been the inventor of this improvement until January, 1869, when he represented in his caveat that he had made certain improvements in mechanism for operating the platen of a printing-press, and that he was then engaged in making experiments for the purpose of perfecting the same. This caveat he prepared and made oath to, but never filed in the Patent Office. This was more than three years after Montague had exhibited to two or three persons his drawing representing his improvements, and a year and a half after the defendant had made for Montague the Byington press. The testimony is conclusive that this is only one more of the too frequent instances in which a person engaged as a mechanic or constructor in embodying the inventor's idea in a material form, attempts to prove that he was the first inventor, because he made or aided in making the first machine.

On the issue of novelty, a much more difficult question is presented on a comparison of the patented combination in complainant's printing-press with the mechanism in the machine of Mr. Hervey Waters for rolling bayonets, and a similar machine for rolling file-blanks. This is the machine referred to in the answer, for which letters-patent in Great Britain were sealed June 14, 1864, dated Dec. 23, 1863, No. 3,251, to George Tomlinson Bonsfield, for an invention consisting of an improvement in apparatus for forging and tempering bayonet-blades, files, and other articles, on a communication from abroad of Hervey Waters, of Massachusetts. This contrivance of Mr. Waters had two extensible vibrating levers in combination with a reciprocating sliding-gauge. The reciprocating sliding-gauge moved backward and forward in right lines upon ways. The swinging levers worked upon a rock-shaft so that the ends of the levers described a curved line; pieces were pivoted to the sliding-gauge so as to turn on that pivot, their opposite ends fitting upon the ends of the swing-

ing levers after the manner of a sleeve sliding away from and toward the axis of the levers upon the levers proper, and all so connected together as to allow the sliding-gauge to move in right lines, while the levers proper move in curved lines. This form of the file-machine with the extensible levers was used by Mr. Waters, at Ballardvale, as early as January, 1866, and was described in the English patent. Mr. Waters says he does not know who invented the extensible lever; that he put it into his machine, and knows that it was useful, but does not know that it was new with him. He says, "I am inclined to think that it was not, because I have no recollection of any particular effort about it." This combination certainly comes very near anticipating the complainant's invention. The three elements, considered separately and apart from the organization in which they are incorporated, the results of the organization, and the mode of operation in the combination, would seem to be the equivalents for the vibrating levers, the extensible sleeves, and the reciprocating platen or type-bed in complainant's combination. Nevertheless, old elements placed in new and different organizations, producing in such new organizations different results, or the same result by a new and different mode of operation, do not prevent such newly organized mechanism from being patentable. It becomes necessary, therefore, to compare the respective organizations into which these elements were incorporated, and the respective modes of operation, and the results of the operation, in the two machines.

Exhibit I is a model of the machine for rolling file-blanks. In this machine the forward movement of the gauge-bar is effected by means of a spring, and the backward movement by means of a projection on the lower roller, called by the witnesses a segmental die. Waters himself describes how this is effected:

"The gauge is carried backward by the die on the bottom roll in its revolution, or by some part of the roll which is connected with the die, and the gauge swings backward the lever, at the same time raising the weight or cramping the spring according as the machine is organized. The gauge is carried forward by the spring which was cramped in the backward movement of the gauge, the spring actuating the lever, and the lever the gauge, or when the machine is organized with a weight in place of a spring, the lever is carried forward by the weight, and the gauge by the lever. But it should be understood that the motion of the lever

forward, and consequently the motion of the gauge forward, is controlled by a cam upon the lower roller, and altogether in the operation of the machine, the motion of the gauge backward and forward is controlled by the motion of the lower roll, and works in accordance with it."

It is noticeable here that, in the operation of the file-machine, the gauge-bar is not moved forward or retracted by the extensive vibrating levers in the same manner as the type-bed is in the complainant's press. In the file-machine the gauge is carried back by the die on the bottom roll, and the gauge, instead of being moved back by the lever, swings the lever backward, and thereby cramps a spring which, when the gauge-bar is released by the revolution of the segmental die, actuates the lever, and, through the lever, the gauge in its forward movement. This organization — perfectly adapted to its purpose and object of presenting the blanks of metal in a proper position and at a suitable time to the rolls, without reference to regularity or uniformity of movement during its travel, provided the gauge presented the blank at the proper time to the rolls — would be unsuited to the operation of a printing-press, where a regular movement of the type-bed during its progress is indispensable. Practically, a type-bed, during the period of taking the impression, could not be operated by a spring or any equivalent device. In the operation of the file-machine "the motion of the gauge backward and forward is controlled by the motion of the lower roll, and works in accordance with it."

The evidence in the record proves clearly the impracticability of operating a printing-press of the class to which this belongs, by using a device like this, as the diameter of the circle described by its revolution, in order to give sufficient impression movement to the type-bed, would be so great as to involve such an elevation of the type-bed above the floor as would place it beyond the reach of the printer. A crank or its equivalent is a part of the organization of complainant's combination, as will be seen on examination of the specifications; the crank acts upon the levers, and they in turn on the type-bed, and, as the rectilinear motion of the reciprocating type-bed is communicated from the levers which move in curved lines, the capacity of becoming longer or shorter (that is, the extensibility of the levers) becomes operative, while, if the type-bed could be practically moved in one direction by a

revolving tappet, like that in the file-machine, and then in the contrary direction by a spring, this feature of the extensible levers would be dormant or useless in the operation.

Considering, therefore, the differences in the mode of operation and the differences in the results, and the fact that in the complainant's press the combination described is one in which the crank communicates the motion to the vibrating extensible levers, and they in their turn to the type-bed, and that the resultant motion given to the type-bed is one adapted by reason of its regularity and uniformity to the requirements of a printing-press of this class, I am inclined to think that there is sufficient invention to make the complainant's combination patentable, notwithstanding the use of these elements of it with a different operation and different results in an earlier, though different, organization.

. It is also contended, in behalf of defendant, that the substitution of the extensible sleeve to the lever, in place of the link used in complainant's former patent, was a mere equivalent, and therefore that the invention embraced in the first claim had been in public use and on sale more than two years prior to his application for a patent. In many organizations of machinery it would be true that the one might be a mere mechanical equivalent of the other, where the same result would be produced by substantially the same operation. But in the application of the extensible lever to the printing-press, a different operation produces a different result from that in case of the link motion. The type-bed driven by the extensible lever has a uniformly accelerated movement during one-half of its travel, and a uniformly retarded movement during the other half of its travel, while the type-bed driven by the lever and link has an unequally accelerated movement during one-half of its travel, and an unequally retarded movement during the other half; other advantages, not necessary to be enumerated, result from the substitution of the one for the other, which, like the one above mentioned, are, in reference to the object and purpose of the organization, differences of operation, not of degree, but of kind.

The patent is adjudged to be good and valid, and the decree is for complainant for injunction and account, as prayed for in the bill.

Decree accordingly.

JANUARY, 1874.

THE UNITED STATES STEAM-GAUGE COMPANY v. THE AMERICAN STEAM-GAUGE COMPANY.

The first, third, and fifth claims of the reissue patent granted the complainant corporation, assignee of Elijah Clarke, March 5, 1872, for a registering steam-gauge, construed with reference to the state of the art at the time of the patented invention, must be limited to the particular combinations of the particular elements described, or substantially the same.

So construed, the claims are not infringed by the gauge patented to T. C. Hargrave, March 19, 1872.

BILL in equity to restrain alleged infringement of letters-patent for an improved steam-gauge, originally granted Elijah Clarke April 15, 1870, reissued to the complainant March 5, 1872; and for an account. The alleged infringement consisted in the manufacture and sale, by the defendant, of steam-gauges, constructed substantially according to a patent granted one T. C. Hargrave for improvement in registering steam-gauges, March 19, 1872. The principal questions in the case were, as to the proper construction of the claims of the reissue, and as to infringement.

Thomas W. Clarke, for complainant.

George L. Roberts, Reuben L. Roberts, for defendant.

SHEPLEY, J. Complainant is the assignee of letters-patent originally issued to Elijah Clarke, on the 15th of April, 1870, reissued to the complainant on the 5th of March, 1872, for a registering steam-gauge.

It is claimed that defendant has infringed the first, third, and fifth claims of complainant's patent.

As, in the opinion of the court, none of the evidence introduced by the defendant on the question of novelty affects the validity of complainant's patent, or throws any reasonable doubt upon the question as to Clarke's being the original and first inventor of what is described in his patent, the prior patents in evidence in the case will be examined principally in view of the light they throw upon the state of the art, as affecting the construction of those claims in the patent which are in issue, bearing upon the question of infringement. They are the following:

1. In a registering steam-gauge, the combination of the following instrumentalities: viz., *first*, a registering-wheel; *second*, suitable mechanism for revolving the same in one direction, and for preventing its return; and *third*, suitable means for adjustment, so that the gauge will be operative as a register only at the prescribed limit of steam pressure, all constructed and operating substantially as set forth.

3. In a registering steam-gauge, the combination of the registering-wheel, I, the index-finger, P, the lever, F, the link, K, the pawl, H, and detent, J, for the purpose of denoting by the same impulse, at the same time, the number of excesses, and the maximum excess, of steam pressure all constructed and operating substantially as set forth.

5. In a registering steam-gauge, the combination of the set-screw, *b*, with the lever, F, for the purpose of the adjustment of the gauge to the zero of the prescribed limit of steam pressure, substantially as set forth.

The first claim of the patent cannot be construed broadly, as embracing the three described instrumentalities in the combination without reference to their construction or mode of operation, as three corresponding instrumentalities are found in combination in the steam-gauge described in the English patent of John Clarke, sealed on the eleventh day of December, 1860. The patent of John Clarke, and the complainant's patent for the invention of Elijah Clarke, each contain, in the organization of a steam-gauge, *first*, a ratchet, which effects registration of excesses of prescribed pressure; *second*, a lever, carrying a pawl operating to revolve the ratchet-wheel in one direction, and a detent operating to prevent its retrograde movement; and, *third*, suitable means of adjustment, so that the gauge will be operative as a register only at the prescribed limit of steam pressure. The first claim of the complainant's patent must therefore be construed in accordance with the literal meaning of the words used in the claim itself, as embracing this combination of those three instrumentalities in the organization of a steam-gauge, when constructed and operating substantially as set forth in the complainant's specification; and it is by reason of the differences in construction and operation that this claim of the patent is sustained, and sustained with the limitation to such described mode of construction and operation. The construction and mode of

operation of these instrumentalities combined in the organization of defendant's gauge, manufactured under the Hargrave patent, differ as much from the corresponding combination of instrumentalities in the Elijah Clarke organization, as the latter combination differs from that in the English patent to John Clarke. There is, therefore, no infringement of the first claim.

It is not contended, and cannot be, with any show of reason, that the combination of mechanical elements enumerated in the third claim of the reissued letters-patent in suit is to be found in defendant's gauge. Complainant contends that the third claim embraces any mechanism in a steam-gauge, so organized as to denote at the same time and by the same impulse the number of excesses, and the maximum excess, of steam pressure.

In view of the state of the art, at the date of the invention of Elijah Clarke, this claim must also receive a more limited construction, and be confined to substantially the same instrumentalities as are enumerated in the third claim. Gauges indicating the maximum pressure were old and in common use, as well as gauges like that shown in the specification of the English patent to John Clarke.

In the specification of the letters-patent to David P. Davis, dated July 2, 1867, and of the English patent to Norton and Bailey, dated Jan. 7, 1868, mechanism is described combined with the ordinary mechanism of a pressure-gauge, by which a marking device is actuated by the weighing device, and makes a mark upon a sheet of paper, which is moved forward at the same time by clock-work. The pressure of the steam is recorded by the position of this mark upon the sheet of paper. Parallel lines are traced upon the sheet of paper, and these are intersected by other parallel lines, which last correspond with the movement of the clock-work, so that in a given unit of time the paper is moved a distance equal to the distance between the cross-lines. A record is permanently made upon the paper by the pencil or other marking device, so that upon comparison of the line, traced by the pencil with the two systems of parallel lines upon the paper, there is registered and indicated the actual pressure of steam at any and every given time, and, of course, necessarily the highest and lowest pressure, and when and how often the pressure has exceeded or fallen below any assumed point of pressure. In these last-named two organizations, it is true that there was the

added instrumentality of a coiled spring, or a weight to move the paper. Yet these gauges both contained mechanism for denoting, by the same impulse,—that is, by the expansive force of the steam acting upon the spring or weighing device,—at the same time, the number of excesses, and the maximum excess, of steam pressure.

The evidence in the record disproves any infringement of the fifth claim. Treating the complainant's patent as good and valid, with the construction here given to the claims which secures to the patentee the right to the combination of the instrumentalities in the organization of a pressure-gauge which he has described, and secures him against infringement by any mere formal alterations or substitution of ingredients, well-known as substitutes at the date of his invention for any of the ingredients of his combination, yet a case of infringement is not made out against the defendant by the use of the Hargrave gauge. To show wherein the instrumentalities in this organization differ in construction and mode of operation from those in the combination in the Elijah Clarke gauge, so far as the combination in that gauge is new, would require more space than can well be devoted to this branch of the subject, as the views I have already expressed on the construction of the claims will show clearly to parties and counsel, that, entertaining these opinions in relation to the construction of the claims, I could come to no other conclusion than that the defendant does not infringe; and the differences in the two organizations could not be readily made intelligible to others by any mere verbal description unaided by models or drawings.

Bill dismissed.

JANUARY, 1874.

JAMES G. TARR *et al.* v. CHARLES E. FOLSOM.

The specification of the original patent for a paint containing as one of its ingredients oxide of copper finely pulverized, described the oxide of copper to be used as "copper ore in the form of an oxide," and stated that the patentees preferred "to employ the pyritous friable ores, which are easily reduced to a fine powder." A reissue of the patent stated that the patentees preferred "to employ the oxide of copper made from the pyritous friable ores." Oxide of copper made by roasting

the pyritous friable ores was known in the arts, and manufactured in large quantities, before the date of the original patent. *Held*, that the reissue was not for an invention different from that described in the original patent.

A patent for a composition of matter is not invalidated by failure to deposit a sample of one of the ingredients in the Patent Office.

A paint for ships' bottoms, which differs from those previously known in the omission of an ingredient before supposed to be essential in such paints, and is simpler and cheaper in manufacture, and equally effective in operation, is patentable.

A patent for a paint for ships' bottoms, compounded of a suitable vehicle or medium; oxide of copper yielding a poisonous solution in sea-water; and an earthy or mineral base, serving to separate the particles of the oxide and retard its solution in sea-water; is infringed by the manufacture and sale of a paint for ships' bottoms, compounded of a vehicle substantially the same for the purpose as that described in the patent; oxide of copper as the protective agent; a material consisting of oxide of iron and earthy matter, operating to retard the solution of the oxide of copper in sea-water; and a small proportion of arsenic.

BILL in equity to restrain alleged infringement of reissued letters-patent for a paint for ships' bottoms, granted James G. Tarr and A. H. Wonson, Oct. 17, 1871. The original patent was granted Nov. 3, 1863. The case is stated in the opinion.

Causten Browne, Jabez S. Holmes, for complainants.

T. W. Clarke, for defendant.

SHEPLEY, J. This is a bill in equity for an alleged infringement of letters-patent granted to complainants on the third day of November, 1863, and reissued on the seventeenth day of October, 1871, in two divisions, for an improved paint for ships' bottoms, or marine paint. The answer sets up in defence that the patent was surreptitiously obtained by the complainants for what was the invention of one Owen Jones; but no evidence was introduced to sustain this defence. The answer also sets up that the specifications in the reissue describe substantially different inventions from any described and shown in the original patent, or in the specification thereof, or in the samples filed in the Patent Office in illustration thereof.

The original patent describes the paint as compounded of a vehicle consisting of tar and naphtha mixed together, and oxide of copper finely pulverized, in the described proportions. In another part of the specification the patentees describe the oxide of copper to be used as "copper ore in the form of an oxide." The specification also says, "we prefer to employ the pyritous friable ores, which are easily reduced to a fine powder."

In division B of the reissue the patentees state that the pyritous friable ores contain mineral and earthy substances, such as

various other metallic oxides, sulphur, &c., which serve to divide the particles of oxide of copper, interposing between them substances which dissolve more slowly than they do, or which do not dissolve at all. They say in the reissue, division B; "We prefer to employ the oxide of copper made from pyritous friable ores;" that is, the oxide of copper made by roasting the pyritous ores exposed to air and heat, and thus converting the copper which they contain into oxide. The description in the original patent of "copper ore in the form of an oxide," taken in connection with "the pyritous friable ores" subsequently referred to, substantially suggests, if it does not accurately describe, the oxide of copper made by roasting the pyritous friable ores described in the reissue, especially when we take into account the fact that oxide of copper thus manufactured is proved to have been well known in the arts and manufactured in large quantities prior to 1863, and therefore the description was sufficiently intelligible to those to whom it was addressed. It cannot, therefore, with justice, be said that the reissued patent is on its face for an invention different from the one substantially — though not in exact and precise language — described in the original specification.

Evidence also is introduced tending to show that the sample deposited in the Patent Office was not such an oxide of copper combined with an earthy matter or base as is described in the reissued patent. As the specification clearly describes the composition of matter, and all the ingredients and proportions, in language perfectly intelligible to those skilled in the art, it would not be invalidated by the failure to deposit in the Patent Office a sample of one of the ingredients. This requirement, like some others, is made obligatory before the granting of the patent. It is for the commissioner to decide, before granting the letters-patent, whether it has been complied with. If he does so decide, and grants the letters-patent, that cannot be subsequently impeached by evidence tending to show a want of compliance with the law as to giving notice, or paying fees, or performing the other acts required to be done before the patent is granted, and the performance of which is to be proved to the satisfaction of the commissioner, whose decision on these questions is final where he has jurisdiction.

In considering the questions of novelty and infringement in this case, I shall consider them only with reference to their appli-

cation to division B. In this aspect of the case it is not necessary to decide whether the views expressed in an opinion given by the learned judge of the District Court of the Eastern District of New York, denying the motion for a preliminary injunction based upon an alleged infringement of division A, which opinion was based upon the evidence before him on *ex parte* affidavits, would justify similar conclusions upon such a state of the evidence as is exhibited upon the final hearing in this case. It is apparent that the testimony in this record, aided by the elaborate investigation and learned arguments of the counsel on both sides, has presented this question, so far as it relates to division A, in many new and different lights from those brought to bear upon it in the presentation of the question before that learned judge. But the infringement, if there were any in this case, was of the composition of matter described in division B. I shall confine my decision to that branch of the patent. Thus confining it, I do not think the invention described in that division had ever been anticipated, and I do think it describes a patentable invention. Division B is for an improved paint to prevent the fouling of ships' bottoms by the adhesion of barnacles, sea-weeds, and other substances; a paint which can be applied with a brush like ordinary paint, and which is compounded, first, of a suitable vehicle or medium; second, of the oxide of copper yielding a poisonous solution in water; third, together with such earthy and mineral matters as separate the particles of the oxide and retard such solution. This composition, the patentees state, practically protects ships' bottoms as well as copper sheathing or yellow metals, and at much less cost.

Reliance is placed by the defendant principally upon the paint of Charles Wetterstedt, as anticipating this invention. Letters-patent were issued by the United States, Aug. 5, 1851, to Charles Keenan, assignee of Charles Wetterstedt, for a new and useful improvement in metallic alloy paints. This was a well-known paint in common use at the time complainants made their application, and was referred to and disclaimed by them in their specification, and consequently decided by the Commissioner of Patents as not interfering with their application. We have already seen that complainants' paint, division B, was a combination of oxide of copper, yielding a poisonous solution with a suitable vehicle or medium, and a base of earthy or

mineral matter. Wetterstedt describes the basis of his invention "to consist in the combination of regulus of antimony in various proportions with copper, tin, zinc, or lead."

In enumerating the advantages of his antimonial paints, he states that antimony, as a constituent of metallic paints, possesses the property of hardness and power to resist mechanical abrasion from the friction of water, and that it imparts this property to its alloys, as in case of type-metal; also that the regulus and its alloys are more brittle than other simple metals and their compounds; and, lastly, he claims that the covering of copper, yellow metal, or iron ships' bottoms, with antimony, protects them, in consequence of the protective effects of its galvanic action. "The oxide of copper is influenced by the antimony in a manner similar to that of metallic copper, and hence, when used to form paint with antimony or its alloys, it is but slightly affected, in consequence of the protective influence of the antimony, but is allowed to dissolve just sufficiently to produce poisoning of animals, and adhering to the surface."

When his paint was to be used on iron surfaces, after painting the surfaces with two coats of a paint made with antimony and lead, he directs, in addition to those two coats of paint, another compound of two pounds of the alloy of antimony and copper with four pounds of oxide of copper mixed with five pints of the mixture of tar and naphtha, and three pints of pure naphtha. This latter paint of Wetterstedt differed from the composition described in division B, in the absence of the earthy or mineral basis, which is intended in the composition of complainants to protect the oxide of copper by dissolving more slowly than that does, and also in the fact that, while the same or an equivalent vehicle is used in both, the Wetterstedt paint has in combination with that vehicle, in addition to the oxide of copper, an alloy of antimony and copper, the three elements operating together to produce the poisonous action; while in complainants' paint there is no equivalent for the alloy of antimony and copper in Wetterstedt's paint. This omission of one of the ingredients before supposed to be essential would be, under circumstances like these, a patentable subject. The mixture of antimony, copper, and the oxide of copper, to make the protective paint of Wetterstedt, involved, according to the description in his specification, a complicated and expensive process; and when the paint was made, it

required the use of another and different paint as an auxiliary protective agent, when used as a marine paint. The marine paint described in division B is comparatively simple and inexpensive in preparation, and, according to the testimony in the case, at least equally effective in its application.

Ford's patent, which was for a process for purifying oil of turpentine and naphtha, and for dissolving therein india-rubber, gutta-percha, and like gums, and applying such solutions as a cement, varnish, paint, or water-proofing agent, contains a suggestion that such solutions may be combined with oxides or salts of copper to be employed as a coating for iron ships' bottoms. He does not seem to have been aware that the application of his paint to the bottoms of iron ships would be worse than useless, as proved by the evidence of the experts in this case. The other patents set up as anticipating the complainants' invention seem to have been introduced principally to show the state of the art, and do not require any more extended notice in connection with the question of novelty further than the simple statement that they furnish no defence on that ground. The evidence of infringement is clear. The vehicle used by defendant is substantially for this purpose the same as complainants'. He uses the same protective agent, the oxide of copper; and the Brandon red which he uses, being an oxide of iron associated with more or less of earthy matter, and which, by its imperfect solution in sea-water, retards the solution of the oxide of copper, is, in operation in the combination, the equivalent of the mineral or earthy base in complainants' composition.

Decree for injunction on division B, and for an account.

FEBRUARY, 1874.

WADE H. HILL *et al.* v. G. HENRY WHITCOMB *et al.*

The grantee of the exclusive right to use, rent, and vend, a patented invention within a specified territory, cannot maintain a suit in equity in his own name under the patent, to restrain a violation of his exclusive right.

A suit in equity by the grantee of the exclusive right to use, rent, and vend, within a specified territory, machines containing certain patented inventions, to restrain the use of such machines in that territory by a subsequent purchaser from the same grantor outside of the territory, with notice of the prior grant, is not a suit arising under the patent laws of the United States; and not within the jurisdiction of the Circuit Court, unless the parties are citizens of different States.

BILL in equity to restrain alleged infringement of an exclusive right of the complainants under letters-patent for improvements in printing-presses, granted Edwin Allen Oct. 22, 1867, Nov. 12, 1867, and Feb. 4, 1868; and for an account.

The Allen Manufacturing Company, the owner of the patents, granted to the complainants the exclusive right to use, rent, and vend, presses containing the patented improvements, in the county of Worcester, Massachusetts, and State of Rhode Island; and covenanted to protect and defend the complainants in the use and enjoyment of that exclusive right. Afterwards, and before the filing of the bill, the Allen Company sold at Norwich, Connecticut, to G. Henry Whitcomb & Co., defendants, for use in their factory at Worcester, a press containing the patented improvements; which press was, in fact, there used. Before the purchase of the press, G. Henry Whitcomb & Co. had notice of the grant of the exclusive right to the complainants. The Allen Company was joined as defendant.

Causten Browne, Jabez S. Holmes, for complainants.

The complainants own the exclusive right to use, rent, and vend, in Worcester County, &c., presses containing the patented improvements. The press in use by the defendants Whitcomb contains those improvements. This being so, the complainants can maintain this suit. As they do not own the whole monopoly for the specified territory, they could not maintain an action at law for damages against a user of infringing machines. But neither the reason nor the language of the statute forbids them to maintain this suit in equity. Act of 1870, sects. 55, 59. The right to maintain a suit in equity, on such a title as the complainants hold, is recognized by judicial decisions. *Brammer v. Jones*, 3 Fish. 340; *Ogle v. Ege*, 4 Wash. 584; *Goodyear v. N. J. Cent. R. R. Co.*, 1 Fish. 629; *Sanford v. Messer*, 2 Off. Gaz. 470. All parties owning any part of the monopoly for the county of Worcester, &c., are before the court and subject to its decree.

This case differs essentially from those in which it has been held that an unconditional sale of a patented article by one who has a right so to sell it, discharges it from all claim under the patent. In order to take a patented article out of the protection of the patent, there must be a sale of it, without condition or restriction, by one authorized so to sell it. *Adams v. Burks*, 1 Off. Gaz. 282; *Sanford v. Messer*, 2 Off. Gaz. 470; *Hawley v.*

Mitchell, 1 Off. Gaz. 306 ; 3 Off. Gaz. 241. The sale to the Whitcombs in this case does not meet these conditions.

Upon the principle that equity will treat as done that which by agreement ought to have been done, it is to be taken in this case that the Allen Company sold the press to the Whitcombs, with the restriction which it was bound, and the purchasers knew it was bound, to put upon its use. *Taylor v. Stibbert*, 2 Ves. Jr. 437.

G. S. Hillard, M. F. Dickinson, Jr., J. E. Maynadier, for defendants.

The complainants have no right to the exclusive use of the patented improvements in such presses as that of the defendants. If they have, this suit cannot be maintained. The defendants' vendor, the owner of the patents, gave them such a title to the machine that it passed outside of the monopoly, and the defendants acquired the right to use it without regard to the patents. The royalty of the patentee has been paid ; and the property sold passed from under the protection of the patent laws, and was subject, like other property, only to the operation of the laws of the State. *Hawley v. Mitchell*, 1 Off. Gaz. 306, and cases cited ; *Adams v. Burks*, 1 Off. Gaz. 282 ; *Goodyear v. Beverly Co.*, 1 Cliff. 348 ; *Metropolitan Co. v. Earle*, 2 Fish. 203 ; *McKay v. Wooster*, 3 Off. Gaz. 441.

SHEPLEY, J. The Allen Manufacturing Company, being the owners of the rights secured by three different letters-patent of the United States, for the inventions of Edwin Allen in improvements in printing-presses, on the 1st of February, 1871, entered into a certain contract with the complainants. This bill is brought to enforce the rights of the complainants under that contract.

The contract begins with a recital that the Allen Manufacturing Company are the owners of a patent automatic envelope-printing press. In fact, they were then manufacturing a printing-press which they styled a patented automatic envelope-printing press, in the organization of which were included the inventions secured by the three patents above mentioned. "The exclusive right to use, rent, and vend, said presses in the county of Worcester and in the State of Rhode Island" is granted to Hill, Devoe, & Co., the complainants, the Allen Manufacturing Company reserving for themselves "the exclusive right to manufac-

ture said presses." The second clause in the contract provides that the company shall, within a reasonable time, supply all presses ordered by complainants in writing, and also that such presses shall be in all respects complete and perfect, and provided with all the improvements then in use with said presses, and owned or under the control of the party of the first part; and said parties of the second part, the complainants, "shall have the exclusive right to said improvements in the territory aforesaid under the terms of this agreement." The third clause is a covenant to protect and defend the complainants in the exclusive use and enjoyment of the said automatic envelope-printing presses in the territory aforesaid, and of the improvements aforesaid, and to protect them against all claims and demands of all persons for infringement or damage therefor. The fourth clause provides for the payment by complainants of the sum of one thousand dollars for each press ordered and received by them, and of a royalty of one dollar per day on each press on which envelopes can be printed of size No. 6, and corresponding royalties for other sizes, "when said parties of the second part shall be protected in the exclusive use and enjoyment of them according to this agreement." The fifth clause contains provisions concerning the sale by complainants to other parties, not material to the subject-matter of this inquiry. It is provided in the sixth clause that complainants shall have the exclusive right in said territory to use any and all improvements upon said presses which shall hereafter be made, and which shall be owned by, or under the control of, said parties of the first part, and shall have the right to adapt said improvements to all presses purchased by them before the date of said improvements.

The complainants were, therefore, not grantees of an exclusive right under the patents, or any of them, to the whole or any specified part of the United States. They were licensees, with the right of using, and vending to others to be used, within the specified territory, such presses embodying the patented inventions as they might purchase of the Allen Company, which owned the patents; having coupled with that license a grant of the exclusive right to use, rent, and vend, said presses in the specified territory upon the prescribed conditions, and a covenant for protection in "the exclusive use and enjoyment of said automatic printing-presses aforesaid, and of the improvements aforesaid."

Such a contract clearly gives the licensee no right of action

for an infringement of the patent. To enable the purchaser to sue, the assignment must undoubtedly convey to him the entire and unqualified monopoly which the patentee held in the territory specified, excluding the patentee himself as well as others. Any assignment short of this is a mere license; and the legal right in the monopoly remains in the patentee, and he alone can maintain an action against a third party who commits an infringement upon it. *Gayler v. Wilder*, 10 How. 494; *Sanford v. Messer*, 2 Off. Gaz. 470.

After the first day of February, 1871, the date of the contract, the Allen Manufacturing Company, at Norwich in the State of Connecticut, sold to G. Henry Whitcomb and David Whitcomb, the other defendants, a certain printing-press manufactured by the company, of a style known to them as a job-press, being a press of different style from the one in use by complainants, but containing the inventions covered by the three letters-patent before mentioned; and the Whitcombs used this job-press from time to time in their business at Worcester. There is evidence in the case tending to show such notice of the contract between the Allen Manufacturing Company and Hill, Devoe, & Co., the complainants, as would, according to the rules established in courts of equity, put them upon inquiry, and charge them with knowledge of all the facts to which such inquiry would lead. Complainants bring this bill against the Whitcombs and the Allen Manufacturing Company for the use of said press, charging it to be without their consent, and in violation of the orators' rights and privileges under said letters-patent, and the exclusive right and privilege granted to them, and as an infringement upon the exclusive rights and privileges of the complainants under the three letters-patent aforesaid.

All of the defendants strenuously insist that the sale of the job-press to the Whitcombs, to be used in Worcester, was not in violation of the exclusive rights and privileges granted to the complainants, by reason of the differences in the construction and operation of the job-press, as compared with the automatic envelope-press. I am, however, of opinion that, inasmuch as the job-press embodied in its organization the three inventions secured by letters-patent, and embodied in the organization of the press described in the contract, the sale of that press to be used in Worcester was a violation of the agreement of

the Allen Manufacturing Company to protect the complainants in the exclusive use of the patented improvements in that territory. I am also of opinion, as before stated, that the Whitcombs, in a court of equity, would be charged, upon the evidence in this record, with notice of the equities of the complainants.

The complainants contend that the Allen Manufacturing Company have substantially agreed with the complainants that they would not sell the patented inventions to be used within the limits specified in the contract; that they were limited by the contract not to dispose of machines containing the patented inventions with an unrestricted right of use, but that the right of user should have been, by the conditions of the sale, restricted to territory outside of that territory within which they had covenanted to protect the complainants in the exclusive use. They claim that the defendant, the Allen Company, sold without such restriction, and the Whitcombs, defendants, bought with notice of such contract relations subsisting between the company and the complainants. They claim, therefore, that a court of equity will treat that as having been done which ought to have been done by the parties, and protect the complainants in their right to the exclusive use within the described limits.

This presents the question of the jurisdiction of this court. Objection is made to the equity jurisdiction, upon the ground that the complainants have a plain, adequate, and sufficient remedy at law, by an action for breach of the covenants and agreements in the contract; but this objection would not avail, if this court had jurisdiction by reason of the residence of the parties, for the reason that the remedy at law, in a case like this, would not be as practical and efficient to the ends of justice and its prompt administration as the equitable remedy.

Wylie v. Cox, 15 How. 415; *Garrison v. Memphis Ins. Co.*, 19 How. 312. Another objection is, that the bill in this case does not set out, as a claim for equitable relief, supposed equities springing from a violation of the contract and notice to the Whitcombs, but is a bill for injunction and account, on the ground of alleged infringement of the exclusive rights of the complainants, under the several patents set out in the bill. This objection is well taken. The bill cannot be sustained as a bill for infringement of rights under letters-patent. The complainants

are licensees only, and as such cannot maintain an action for infringement in their own name. The defendants are not infringers of any rights under letters-patent. The Allen Manufacturing Company were the owners by assignment of the letters-patent, and sole owners for the United States. They cannot, therefore, be infringers. The other defendants, the Whitcombs, bought their press of the company, which had the power to convey to them a machine, with the right to use it anywhere in the territory owned by the grantors, which embraced the whole United States. They are not infringers under the patent law. The mere fact that the patentees, in violation of a covenant which they had made with other parties not to do so, had conveyed to them the unrestricted right to use the patented inventions, did not make them infringers of any rights under the letters-patent.

For these reasons the bill, in its present form, cannot be maintained. Inasmuch, however, as that objection might be obviated by an amendment of the bill, setting out the grounds of equitable relief upon which the complainants rely, I think it better not to rest the decision upon any technical grounds as to the form of the bill and the grounds of equitable relief set up in the record, but to consider the case as if the grounds relied upon were well charged in the pleadings. The question then presented would be: When the patentee, or his assignee, of letters-patent for an invention, sells to a person a machine embodying the patented invention, with a covenant that the vendee and licensee shall be the exclusive licensee, and have the sole right to use the patented invention within a described territory; and thereafter sells to another the patented invention in violation of his contract, to be used in the described territory, such second vendee having notice of the first contract, can the licensee enforce his rights by bill in equity in the Federal courts, *without regard to the citizenship of the parties*, under the jurisdiction conferred upon those courts by the patent act? The fifty-fifth section of the act of July 8, 1870, enacts "that all actions, suits, controversies, and cases, arising under the patent laws of the United States, shall be originally cognizable, as well in equity as at law, by the circuit courts of the United States; . . . and the court shall have power, upon bill in equity filed by any party aggrieved, to grant injunctions, according to the course and principles of courts of equity, to prevent the violation of any right secured by patent,

on such terms as the court may deem reasonable." Is the case supposed a case or controversy arising under the patent laws of the United States? I feel compelled to come to the conclusion that it is not. It is a case arising under a contract in relation to a machine embodying in its organization three or more patented inventions. But it is a case arising out of the contract and the relations of the parties under that contract, and not under the patent laws of the United States. If the Allen Manufacturing Company were the sole manufacturers of a certain description of printing-presses not patented, and should sell one of such presses to the complainants, with a covenant that they would not sell any like press to any other person, to be used in the same territory to compete with the complainants; and afterward should sell to another person who had notice of the contract, a like printing-press, to be used in the same territory in competition with the first vendees, it would present a case furnishing precisely the same ground for equitable jurisdiction as that claimed to exist in the present case. It would present a case cognizable in a court of equity in the State of which the parties were citizens, if the court should be of opinion that there was not a full, adequate, and complete remedy at law. It would, in my opinion, present a case for equitable relief in this court, if, by reason of the parties being citizens of different States, this court had jurisdiction of the case. But it would not be, and this case is not, a bill to prevent "the violation of a right secured by patent," but of a right secured by contract. The machine purchased by the Whitcombs of the patentees had passed out of the monopoly and from under the protection of the patent laws of the United States, and was, like other property, subject only to the operation of the laws of the State. *Goodyear v. Beverly Rubber Co.*, 1 Cliff. 348; *Adams v. Burks*, 1 Off. Gaz. 282; *Hawley v. Mitchell*, 1 Off. Gaz. 306; *Bloomer v. McQuewan*, 14 How. 549; *Wilson v. Rousseau*, 4 How. 646; *Metropolitan Co. v. Earle*, 2 Fish. 203.

In a court of general equity jurisdiction, the fact that the patentee had, in fraud of his contract, conveyed such a right to use the machine in the city of Worcester to one who had notice of the contract, would furnish a ground for equitable relief, for the very reason that thereby the purchaser had acquired the right to use the machine without violation of the patent laws, when the patentee had stipulated that no one but the

first licensee should be able to do so without being liable as an infringer. The case is like that, cited by complainants' counsel, of *Taylor v. Stibbert*, 2 Ves. Jr. 437, where the vendor of real estate was bound to grant a lease, or answer in damages for non-performance. The purchaser bought with notice of the contract, and the court held that he must fulfil it. The equitable jurisdiction springs in that case from the breach of the contract, the notice of it to the vendee, and the want of an adequate legal remedy. Admitting that all these elements exist in the present case, they do not confer jurisdiction in this case over these parties; for these facts alone do not bring the case within any grant in the Constitution to Congress of judicial power, or any act of Congress conferring such power on the Federal courts.

Bill dismissed.

FEBRUARY, 1874.

SARAH A. MOODY v. GEORGE R. TABER.

A patent for improvement in corsets and abdominal-supporters should not be held invalid on the testimony of a witness, that for the past ten or eleven years, commencing before the date of the patented invention, he had made, in the course of his practice as a physician, corsets (no specimen of which was produced) "of the same general character" as an exhibit made after the complainant's invention; it appearing that each corset made for the witness was peculiar in its construction, and not adapted to accomplish the purpose of the patented invention.

A purchaser of patented articles from a former licensee under the patent, with knowledge that the vendor has repudiated the license and refused to pay the stipulated royalty on the articles, cannot set up the license as a defence to a suit of the patentee for infringement of the patent by the sale of the articles so purchased.

BILL in equity to restrain alleged infringement of reissued letters-patent for improvements in corsets and abdominal-supporters, granted to the complainant Jan. 30, 1866; and for an account.

T. S. Wakefield, J. B. Robb, for complainant.

Chauncey Smith, W. W. Swan, for defendant.

SHEPLEY, J. Defendant is charged with the infringement of letters-patent (reissue numbered 2,165), granted to Sarah A. Moody for improvements in corsets and abdominal-supporters.

The invention consists in certain improvements and changes

in the form and construction of corsets, to fit them to perform the function of supporting the abdomen in cases in which an artificial support is required. When adjusted according to the specifications in the patent, the operation of the improved supporters is to lift and support the abdominal viscera, transferring the strain from the abdominal muscles to the base of the spinal column and hips, and relieving the pelvic viscera from abnormal pressure. The utility of the invention is proved by the testimony of eminent surgeons, and of distinguished physicians of both sexes. The exhibits introduced to establish the fact of an anticipation of the complainant's invention fail to support the defence of want of novelty set up in the answer. The one most nearly resembling the invention of the complainant is exhibit No. 6, produced by Dr. Charles H. Spring. This, he testifies, was made for and worn by a patient of his "about five or six years since." This was after the date of complainant's invention. He says this was "of the same general character" as those made by him for the past ten or eleven years. But when we consider the fact that the witness had given special attention to diseases and deformities of the spine, and that each corset made under his direction was peculiar and special in its construction, and made with a view to the particular deformity of the patient in each case, it would not be safe to treat a patent as invalid upon testimony no more definite than that which speaks of those contrivances of an earlier date, of which no specimens are exhibited, as being of the same general character as exhibit No 6. Some of the witnesses consider the invention described in the specification of the patent to be of the same general character as that described in the specifications of the patent to Elizabeth Adams. Yet a careful reading of the two will show that there is no similarity, much less identity, in what is claimed as invention in the two patents. Exhibit No. 6 itself is also proved to be applicable only to deformities, and, if applied to a fully developed or well-formed person, would not extend low enough to have any elevating or supporting force to counteract the pressure of the abdominal viscera. This exhibit, like all the contrivances made under Dr. Spring's direction, had for its primary function the support of an enfeebled, diseased, and deformed spine. The support given in any case to the abdominal viscera was merely auxiliary and secondary. The other exhibits offered in evidence fail to

sustain this branch of the defence, for reasons clearly and fully stated in the testimony of the expert witnesses, especially in that of Dr. Newton.

Exhibits A and B, representing the corsets sold by the defendant, are clearly within the description in the complainant's patent. Without going over in detail the relations between the complainant and the defendant Taber, and also the Boston Corset Skirt Company, which was originally, and prior to the failure of the company, a licensee of the complainant, it is sufficient in this case to say, that, although the company could have availed itself of the right to sell the supporters on hand at the expiration of the contract, by paying the license fee according to the terms of the contract, the company elected to repudiate any rights or liabilities under the contract, and to determine the contract relations absolutely. This it did by its letter of Oct. 19, 1869, in which the company say to the complainant: "In order that there may be no misunderstanding in the future, we hereby give you notice that we understand the contract to be at end, and we shall not therefore account to you for any profits we may derive from the manufacture and sale of abdominal-supporters after Oct. 10, 1869."

The company could not be permitted thus to put an end to the contract, and deny the validity of the patent, and refuse to recognize any title in the patentee, and, afterward, when the validity of the patent is sustained, to set up a license from the patentee to vend those on hand after Oct. 19, the date of the letter. The defendant bought the balance on hand, at the time of the failure of the company, of the corsets manufactured under the patent, with full knowledge of complainant's rights; and for the sale of these, and all made and sold by him like exhibits A and B, he must be held to have infringed, and be liable to account for the profits.

Decree for injunction and account.

FEBRUARY, 1874.

UNITED NICKEL COMPANY v. N. S. KEITH.

A claim for the electro-deposition of nickel by means of a solution of the double sulphate of nickel and ammonia, or a solution of the double chloride of nickel and ammonium, prepared and used in such a manner as to be free from the presence of potash, soda, alumina, lime, or nitric acid, or from any acid or alkaline reaction, is infringed by the use, in the electro-deposition of nickel, of a solution of the double sulphate of nickel and ammonia; although such solution contains a small proportion of tartrate of ammonia, and ammonia, the first of these being an inert substance in the solution, and the second being speedily eliminated by evaporation when the solution is used.

The patents of Isaac Adams, Jr., dated Aug. 3, 1869, and May 10, 1870, for improvements in the electro-deposition of nickel, held valid.

SHEPLEY, J. The defendant is charged with infringement of letters-patent of the United States, granted to Isaac Adams, Jr., for "improvements in the electro-deposition of nickel," dated Aug. 3, 1869, and May 10, 1870, both of which patents have been duly assigned to the complainant.

Defendant denies the infringement, and alleges that Adams was not the original and first inventor of what is claimed as his invention in either of the patents.

The history of the state of the art of electro-plating with nickel, or what should with more propriety, in view of the progress then made in the art, be denominated the electro-deposition of nickel, prior to the discoveries of Dr. Adams, is sufficiently given in the opinion of this court in the case of *United Nickel Co. v. Anthes*, 1 Off. Gaz. 578, not to require repetition here otherwise than by reference to, and reiteration of, the views expressed in that case. Much additional evidence has been introduced in the record in this case upon the issue of novelty; yet, after a careful review of the whole evidence, both in relation to what was alleged in that case as anticipating the discoveries and inventions of Dr. Adams, and is again alleged in this record accompanied with further proof, as well as what additional and new matter is here introduced, I am confirmed in the conviction that the electro-deposition of nickel by means of the described solutions prepared and used, as described in his patents, and of such an anode as his patents describe, was unknown in any practical application of it to the useful art of electro-plating of metals prior to the dis-

coveries of the patentee. By electro-plating of metals as a useful art, I mean the uniform, continuous, and coherent deposit of one metal upon the surface of another, so as to produce a coating of the desired thickness, purity, uniformity, coherence, and permanency of adhesion, as distinguished from the mere electrolysis or electro-deposition of a metal out of a solution, whether such electro-deposition be or be not on the surface of another metal. And herein, in my view, consists the difference in the state of the art prior and subsequent to the discoveries of the patentee. Prior to his discoveries and inventions, electro-platers and electro-metallurgists well understood how desirable a result it would be to be able to plate the surface of baser metals with a coating of nickel, resembling silver in lustre and color, without its liability to tarnish on exposure to the air. Yet while it was thus well understood, as stated by Napier, that if the practical difficulties could be overcome, "the application of nickel to the coating of other metals would be extensive, and the property of not being liable to tarnish would make it eminently useful for all general purposes," yet, with all the research and investigation which has been so lavishly bestowed on this case, the defendant has signally failed to show that electro-plating of metals with nickel had any practical existence as accessible or beneficial to the public before the date of the inventions of Dr. Adams. Since that time, under the processes described in his patent, the art is so extensively practised, both in this country and Europe, that, as stated by one of the witnesses in this case, it would be less difficult to name articles used in the mechanic arts which have never been nickel-plated than those to which nickel-plating has been applied. The claims in the two patents are as follows: In the patent of Aug. 3, 1869 —

"1. The electro-deposition of nickel by means of a solution of the double sulphate of nickel and ammonia, or a solution of the double chloride of nickel and ammonium, prepared and used in such a manner as to be free from the presence of potash, soda, alumina, lime, or nitric acid, or from any acid or alkaline reaction.

"2. The use for the anode of a depositing-cell of nickel, combined with iron to prevent the copper and arsenic which may be present from being deposited with the nickel, or from injuring the solution.

"3. The methods herein described for preparing the solution of the double sulphate of nickel and ammonia, and the double chloride of nickel and ammonium.

"4. The electro-plating of metals with a coating of compact, coherent, tenacious, flexible nickel, of sufficient thickness to protect the metal upon which the deposit is made from the action of corrosive agents with which the article may be brought in contact."

Also, but which is not involved in this suit —

"5. The deposition of electrotype-plates of nickel, to be removed from the surface on which the deposit is made, and used separately therefrom."

In the patent of May 10, 1870, the claims are as follows:

"1. The combination, with nickel to be used for anodes, of a metal or metalloid electro-negative to the nickel in the solution employed.

"2. A nickel anode combined with carbon, and cast in the required form."

As the defendant has infringed the patent of May 10, 1870, by the use of anodes in the electro-deposition of nickel, substantially like those described and claimed in that patent, and has also infringed the first claim of the patent of Aug. 3, 1869, by the use, in the electro-deposition of nickel, of a solution of the double sulphate of nickel and ammonia, prepared and used in such a manner as to be free from the presence of potash, soda, alumina, lime, or nitric acid, or from any acid or alkaline reaction, it is not necessary to decide the questions presented on the construction of the fourth claim of the patent of Aug. 3, 1869.

In deciding that the evidence in the record proves an infringement of the first claim of that patent by the use of the solution therein described, I do not overlook the fact that defendant's solution contained one one-thousandth part of tartrate of ammonia, and one eight-hundredth part of ammonia. The evidence in the case satisfies me that in the defendant's solution the first was an inert substance, and the second would be, and was, speedily eliminated from the solution in use, by evaporation.

Decree for injunction and account.

James B. Robb, for complainant.

A. J. Todd, for defendant.

FEBRUARY, 1874.

JOSHUA MERRILL v. DAVID M. YEOMANS *et al.*

A claim in a patent, for "the above-described new manufacture of deodorized heavy hydrocarbon oils, suitable for lubricating and other purposes, free from the characteristic odors of hydrocarbon oils, and having a slight smell like fatty oil, from heavy hydrocarbons, by treating them substantially as hereinbefore described," is a claim for a heavy hydrocarbon oil having the described characteristics and produced by the described process.

A patent for a deodorized heavy hydrocarbon oil, made by distilling off, under atmospheric pressure, from the heavy hydrocarbon oils (themselves the products of distillation) the light offensive oils produced by the previous distillations, is not infringed by the manufacture of a hydrocarbon oil having substantially the same characteristics, by distillation directly from crude petroleum in a vacuum, so conducted as to produce the desired oil as a distillate free from the light offensive oils.

BILL in equity for an injunction to restrain alleged infringement of letters-patent for improved manufacture of deodorized heavy hydrocarbon oils, granted the complainant May 18, 1869; and for an account. The principal question in the case was as to the construction of the first claim of the patent, which was as follows: "I claim the above-described new manufacture of deodorized heavy hydrocarbon oils, suitable for lubricating and other purposes, free from the characteristic odors of hydrocarbon oils, and having a slight smell like fatty oil, from heavy hydrocarbons, by treating them substantially as hereinbefore described."

B. R. Curtis, Chauncey Smith, Walter Curtis, for complainant.

Causten Browne, William Bakewell, Jabez S. Holmes, for defendants.

SHEPLEY, J. The invention of the complainant relates to the manufacture, from heavy hydrocarbon oils possessing the characteristic odors of such oils, by a process of treatment described in the specification in his patent, of deodorized heavy hydrocarbon oils, free from such characteristic odors, and having only a slight smell like fatty oil, and suitable for lubricating and other purposes.

The most important and intricate questions presented at the hearing of the case relate to the construction of the first claim in the patent. Considered in the broader view which courts take

of the construction of claims, by considering them in connection with the specification, and the discovery and invention therein described, the question presented is: What is really the subject of the complainant's patent? Is it for a new article of manufacture, or for a new process of manufacturing? Is it, in the words of the statute, "for a new and useful art," or for "a new and useful manufacture"? It is contended on the part of the complainant that the patent secures to Merrill his product, and products substantially the equivalent of his, by whatever process produced. The respondents, on the other hand, contend that the patent is only for a process. Another construction, which we shall have occasion to consider hereafter, may be adverted to here, that the patent is for the described product of a specially described process. The questions of construction of the claims are attended with more difficulty, from the fact that the patentee, in stating his invention and specifying his process and making his formal claim, uses the word "manufacture" in its two different meanings, signifying, respectively, the operation of making, and the thing made.

To arrive at the true construction of the claim, we must first understand the nature and properties of "the heavy hydrocarbon oils," which are the *subject* of the described treatment, next the described *treatment*, process, or art, and, finally, "the deodorized heavy hydrocarbon oils," the described *product* of the treatment. This renders necessary a hasty glance at the history and state of the art prior to the invention of the complainant.

These oils are called hydrocarbons because they are composed of hydrogen and carbon, and do not, like most animal and vegetable oils, contain oxygen. They are the product of distillation of bituminous coals and shales, and of natural asphaltum or bitumen. The principal source of supply at the present time, however, is from the petroleum-wells, the product of which is used either in its natural state or as converted into a variety of articles by the process of distillation. By distillation a great variety of products can be obtained by the same process from coal, coal-tar, asphaltum, and petroleum. The distillation of petroleum was at first practised only for the purpose of refining it by separating it from foreign matters, and separating from it some of the combined carbon, too large a proportion of carbon causing it to generate too much smoke, and rendering it unfit for use in lamps as an illumi-

nating-oil. It soon became known that, in distillation, petroleum separated into hydrocarbons of different gravities. Ordinary distillation separated the substance from fixed bodies held in solution or suspension in it, and separated the more volatile bodies from those of less volatility. By destructive distillation of petroleum, the character of the substances was changed in like manner as gas is produced by the destructive distillation of coal.

In the process of distillation, petroleum separates into hydrocarbon fluids of different gravities. The lightest fluids come over and are condensed first, and they increase in gravity as the distillation proceeds. The lighter oils come over more readily and with less heat. The heavier oils require a higher degree of heat to vaporize them. During the process of distillation, by changing from time to time the receiving-vessel into which the distillate runs from the condenser, the distillate is separated into the various products having different gravities. This is termed fractional distillation. By continually changing the receiver from time to time, fluids of any desired gravity may be obtained from the highest to the lowest which petroleum will yield under treatment. An arbitrary division of the products is made in practice, according to the commercial uses of the products. All the fluid which first runs from the still, until it falls to a gravity of about 60° Baumé, is classed as benzole or naphtha. All in the next grade, between 60° and about 38° or 40° Baumé, is known as "burning-oil," or "refined oil," and more popularly known as "kerosene-oil," and is used principally for illuminating purposes. All the distillate below 38° or 40° Baumé is known as paraffine-oil, or lubricating-oil; and this is the product of distillation which Merrill refers to in his specification as "heavy hydrocarbon oil." The language of the specification is, "My invention relates to the heavy hydrocarbon oils, which have heretofore been produced by distilling crude petroleum, or the crude oils obtained from the distillation of bituminous coals, bituminous shales, bituminous schists, asphaltum, and other substances producing hydrocarbon oils by distillation. . . . These oils are well known to the trade, and distinguished from the lighter burning-oils and naphthas by the term 'heavy oils,' their specific gravity varying greatly between the asphaltum oils and paraffine oils."

These heavy hydrocarbon oils thus produced had a persistent disagreeable smell, which made them offensive and undesirable

for use in close, warm rooms, as in woollen manufactories. "Attempts had been made to remove the smell by filtration, but with partial success." It had been the practice to treat such oils with acids and alkalies for the purpose of removing the peculiar offensive odor. This resulted in improving the character of the odor, but without wholly removing the persistent disagreeable smell. For several years before the date of Merrill's invention the progress of improved modes of treatment of paraffine oils had been so great that heavy hydrocarbon oils for lubricating uses had been produced and sold in large quantities substantially, although not entirely, free from the peculiar odor of petroleum distillates.

William Atwood, a witness on the part of the complainant, who has been connected with this manufacture from its inception to this day, and who is probably as familiar with the history of the art and the properties of the different hydrocarbons as any manufacturing chemist in this country, testifies in relation to the lubricating-oils manufactured prior to the date of the Merrill invention by the Portland Kerosene-Oil Company, and known, in the evidence in this record, as the Portland oils. His testimony is, in substance, that the Portland oil, compared with the oil manufactured by the Downer Company under Merrill's patent, is "as good as a lubricating-oil, but not for mixing with other oils, where it is desired that its own peculiar smell shall not appear. . . . There still remained the odor of the volatile oils, which were always present. It was certainly desirable to remove any odor arising from any source." He also describes the odor of the Merrill oil as "a different odor" from the odor of the Portland oil, "being less tenacious; or, in other words, one can be completely covered up with a smaller amount of any other odor than the other."

As the Portland oils and those substantially like them sold by the Downer Company, before the date of Merrill's invention, were the best of the heavy hydrocarbons sold as lubricating-oils at that time, it is sufficient to refer to them as showing the state of the art at that time without more particularly adverting to the Maysville and other oils, which, also, had been previously manufactured and sold, and which the witnesses have particularly described. It is also contended in behalf of the defendants that the "Neutral Topaz Oil," like that sold by the defendants, had been manufactured by Dr. Tweddle, of Pittsburg, before the date of Merrill's

invention. I do not find, after careful comparison of the testimony in the case, sufficient evidence to satisfy me that such was the fact. On the contrary, I am satisfied that Merrill was the first and original inventor of the process described by him, and I therefore pass to the consideration of the second step in the inquiry as appertaining to his process, and the product of his process, and the invention claimed and secured by his patent. The first step in this inquiry has been to ascertain what was *the material to be operated upon*. This we have found to be a heavy hydrocarbon oil, the product of distillation, objectionable for use as a lubricator by reason of those offensive odors peculiar to petroleum distillates. These offensive odors were due to the presence of the more volatile oils. The heavy hydrocarbon oils were generally sold as lubricators, to be mixed by the purchasers with sperm-oil or other fatty oils. They were also mixed with such oils by the manufacturers and dealers, and the mixed oils sold to the consumers for lubricators. Before the introduction of the Merrill oil, although the producers of the heavy hydrocarbon lubricators had succeeded in so far freeing them from the volatile compounds and the lighter and thinner oils, as to put on the market and sell in very large quantities an article satisfactory to the consumers in relation to its lubricating qualities, and substantially free from the peculiar offensive odors, yet this result was attained by a sacrifice of quantity to quality in the manufacture, and was only proximately the desired result, for there still remained some of the odor of the volatile oils. This peculiar odor was so persistent, that, when mixed with other oils, in whatever proportions, it was the predominant odor, and pervaded the whole mass.

The next step to be taken in the path of inventive art, as applied to the manufacture of paraffine or lubricating oils, was to eliminate the peculiar characteristic odor of the petroleum distillates, and also to increase the proportion of deodorized heavy hydrocarbon oil produced from a given quantity of crude oils. This brings us to the second step of the inquiry, Merrill's process.

After stating that his "invention relates to the heavy hydrocarbon oils which have been heretofore produced by distilling crude petroleum, or the crude oils obtained from the distillation of bituminous coals, bituminous shales, bituminous schists, asphaltum, and other substances producing hydrocarbon oils by distillation ;"

and, after adverting to the various modes of treatment, by acids and alkalies, and by filtration, which had been resorted to, with only partial success, to remove the persistent disagreeable odor peculiar to these distillates, he describes his process as follows: "To make heavy hydrocarbon oils free from the characteristic unpleasant odors of heavy hydrocarbon oils, I take the heavy oils which have been separated from the lighter oils and from mechanical impurities by distillation, and after chilling and expressing the solid paraffine, when such operation is necessary, place them in a still, heated by a fire underneath, and slowly and gradually raise the temperature, until from ten to thirty per cent of the contents of the still are distilled over, when the still is cooled down and the remaining contents removed. The matters which go over to the condenser have a very foul, offensive, and disgusting odor, but the oil remaining in the still, if the operation has been properly conducted, is free from the characteristic offensive odor of hydrocarbon oils, and has no smell except a slight odor similar to fatty oils. It can be mixed, in all proportions, with sperm, lard, fish oils, and vegetable oils, and is so neutral in its character, that it takes the odor of the oil that it is mixed with."

He then goes on to describe, as a separate and distinct invention, the introduction of superheated steam within the still, whereby he claims the process will be facilitated, and oil of lighter color produced. This is the subject of the second claim in the patent. As no question arises in this case out of any alleged infringement of the claim relating to this portion of the alleged invention, no further reference will be made to it. After describing his apparatus, and the mode of using it for the introduction of superheated steam within the still, he continues: "I do not wish to confine my invention to its use in combination with the fire, because I can accomplish the same result by fire-heat alone applied to the still, or by any known mode of heating the still which will heat the oil sufficiently to distil over the portions of the oil necessary to be removed."

This, then, is his process: Taking the heavy hydrocarbon oils, the product of distillation, from which the lighter oils and mechanical impurities have been separated by distillation (and the paraffine, when necessary, also separated by the process of chilling and expressing), he distils from them the volatile matters from which the objectionable odors arise, and at the same time

prevents new formations of such matters by keeping the temperature of the oil in the still below that at which these matters form by decomposition of the oil. After distilling off from twenty to thirty per cent, as the case may be, of volatile matters, the oil is left to cool in the still, and is then drawn off into tanks, for sale and use.

The product of Merrill's process is well and aptly described in the words of the specification as a heavy hydrocarbon oil, "so completely divested of its fetid and pungent odors, having only a slight smell like a fatty oil, and so oily as to be greatly improved and increased in value as a lubricating-oil, or for any purposes for which it may be used, either alone or mixed with other oils."

Having determined the scope of Merrill's invention, we are better able to determine what is within the scope of his claim.

The first claim in his patent is as follows: "I claim the above-described new manufacture of deodorized heavy hydrocarbon oils, suitable for lubricating and other purposes, free from the characteristic odors of hydrocarbon oils, and having a slight smell like fatty oil, from heavy hydrocarbons, by treating them substantially as hereinbefore described." If we were to omit from this claim the last seven words, — "by treating them substantially as hereinbefore described," — there would be little doubt that the claim was broadly for a new article of manufacture, without limitation as to the mode by which it might be produced. It is claimed that the use of this last phrase in the claim, in connection with the words in the first part of the claim, render the claim, when properly construed, a claim for the described process alone. Substantially, the argument is, that "a manufacture" of oils, "by treating them substantially as hereinbefore described," is a claim for the described process rather than for the product.

A patentee who has invented a new process in the arts, whereby an article of manufacture is produced, new in kind and not before known, may separately claim and patent both the art and the manufacture. He cannot properly combine them in one claim. Differing in that respect from the English law, which allows a patent for "any manner of new manufactures" (a term which includes process and product), our law distinguishes between a patent for an art and a patent for a manufacture. "No doubt," says Mr. Justice Clifford, in *Goodyear v. Providence Rubber Co.*, 2 Cliff. 371, "can be entertained that a new prod-

uct or manufacture, and a new process or method of producing the new article, are the proper subjects of *separate and distinct* claims in an original patent." Sometimes an old process produces a new product. If the thing produced be new, in and of itself, it is patentable as a new manufacture. If it be capable of being produced by various different processes, as for instance, by hand by the use of hand-tools, or by automatic or other machines, yet, when the product is independent of the process, the patent is infringed by the unlicensed manufacture of the new product by any mode of manufacture, the process of manufacture being wholly unimportant.

In other instances, however, not only does a new process produce a new product, but the process is inseparable from the product, and inheres in it after it is made, so that, upon inspection of the product, it is manifest that the process must have been employed. Whenever we see the new manufacture "vulcanite," we know this product was made by the process of subjecting a plastic compound of rubber and sulphur to heat, whereby the chemical change was effected which characterizes the vulcanite.

It is competent, therefore, for a patentee, under the appropriate and fitting conditions appertaining to his invention, to claim broadly the new product, however made, or to claim the new product when made by a described process. This, it appears to us, is what Merrill has claimed,—a heavy hydrocarbon oil having the characteristics described in the patent, and produced by treating the oils in the manner described in the patent. He made his claim as if he believed that his oil could only be made by his process; and, if such was his belief, the evidence has not fully demonstrated to our satisfaction that he was not justified in that belief. The construction we have given to the claim is the only one which appears to us to be admissible, and the only one consistent with the language used by the patentee, and one which most effectually, probably, secures to him the product of his invention. The thing patented and covered by the first claim in the patent, is, consequently, a heavy hydrocarbon oil, produced from heavy hydrocarbon oils, themselves the product of distillation, and having the offensive odors peculiar to petroleum distillates; such patented heavy hydrocarbon oil being so far deodorized as to be free from the characteristic odors of heavy hydrocarbon oils, and having a slight smell like fatty oil, suitable

for lubricating and other purposes, and the product or result of the treatment described in the patent.

The defendants are charged with an infringement of this first claim in the letters-patent No. 90,284, to Joshua Merrill, the complainant, dated May 18, 1869. The evidence of infringement rests in the proof that the defendants have purchased, used, and sold in the market, quantities of heavy hydrocarbon oils, known as "Neutral Topaz Oils," being the product of a manufacture by Herbert W. C. Tweddle, of Pittsburg, according to the process described in his patent No. 99,975, dated Feb. 15, 1870. This neutral topaz oil is abundantly proved to possess many characteristic properties in common with those peculiar to Merrill's oil, and which distinguished Merrill's oil from the lubricating paraffine-oils which had preceded it. The two oils have substantially the same density and odor, the same amount of lubricating quality, the same freedom from the offensive odors of petroleum distillates. In both, the boiling-point was from one hundred and fifty to two hundred degrees higher temperature than the boiling-point of the best of the other hydrocarbon heavy oils. Whatever presumption of fact might arise, in the absence of other proof to the contrary, that the processes must be substantially the same, because the results are so similar, we are not left in doubt, in this case, as to the process of making the "Neutral Topaz Oil." It is clear that the process is essentially different from that described in Merrill's patent. The very essence of Merrill's invention was the elimination of offensive odors existing in distillates, the product of a destructive distillation. It was a *deodorizing* process, consisting in the removal, by distillation, of the light offensive oils produced in the oil by previous distillations, leaving a sweet residuum in the still. This product was a deodorized oil, an oil disinfected, an oil described by him as "completely divested of its fetid and pungent odors." Tweddle does not make his oil from a distillate made offensive by the presence of the products of distillation, but directly from crude petroleum. His process is not a *deodorizing* or *disinfecting* process to remove the odorous bodies that had been formed by or existed after distillation. It is designed to so conduct the distillation as to leave the distillate of crude petroleum free from those odorous bodies. Tweddle's has been well described as a process of prevention, while Merrill's is one of cure. In the two

processes, Merrill's deodorized oil is a residuum left in the still; Tweddle's neutral topaz oil is a distillate which passes over and is condensed, and falls into the receiver. Tweddle's process is conducted *in vacuo*; Merrill's, under atmospheric pressure. Other differences are apparent, upon examination of the different processes, as described in the respective patents, and as described by the expert witnesses. Sufficient has already been said to show that the differences in the two processes are so radical, that Tweddle's neutral topaz oil cannot, with justice, be claimed to be a deodorized heavy hydrocarbon oil manufactured from heavy hydrocarbon oils, by treating them substantially as described in Merrill's patent. Therefore the use and sale of it by the defendants was not an infringement of the first claim in the Merrill patent.

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Bill dismissed.

FEBRUARY, 1874.

WILLIAM SMITH v. GLENDALE ELASTIC FABRICS COMPANY.

The fact that a defendant prefers to use a patented mechanism rather than one open to his use which would not infringe the patent, is evidence of sufficient utility in the invention to support a patent.

Divisions, number 2,843 and 2,844 of the reissue patent granted William Smith, Jan. 14, 1868, for an improvement in weaving, held valid.

SHEPLEY, J. This is a bill in equity founded on alleged infringement of letters-patent reissued to the complainant, numbered, respectively, 2,843 and 2,844.

The original patent was granted to the complainant on the fifth day of April, 1853; extended for seven years from the fifth day of April, 1867; reissued on the eighteenth day of June, 1867; and again reissued in three divisions, numbered 2,843, 2,844, and 3,014. The latter reissue, 3,014, covered the fabric made upon the mechanism covered by reissues 2,843 and 2,844, and was the foundation of the suit in behalf of this complainant against Nathan Nichols, decided against this complainant at the October Term, 1872, of this court. The claims of Division A, 2,843, and Division C, 2,844, are respectively as follows:

“The process, herein specified, of weaving, consisting in the use of stationary warps in combination with moving warps and

filling that incloses such stationary warps, substantially as set forth.

“The heddle or its equivalent for supporting the stationary central warps, in combination with mechanism, substantially as set forth, for performing the weaving.”

The answer does not specifically deny that the defendant has used looms and processes in the manufacture of elastic webbing substantially like those covered by the complainant's patents, and the evidence in the record establishes the fact of such use.

The defence is based upon a denial that the complainant was the original and first inventor of what is claimed in the reissued patents.

The evidence in the very voluminous record presented in this case relates principally to the product, and but a small portion of it has any relevancy to the issue of the novelty of the invention of the mechanism described in the claim in reissue 2,844. Ferdinand Doebly and Henry G. Gurney, witnesses in behalf of the defendant, testify to the use of looms with stationary warps before the date of complainant's invention. Neither of them give any drawing or model of the looms to which they testify, nor do the witnesses themselves, or any experts in the case, testify that the mechanism described by them was substantially like that described by the complainant in his specification. In the case of Gurney, only a trifling quantity of the elastic web was made in the loom described by him. It is not easy to determine from the testimony how much of the product which Doebly says was made by his father was made on the loom with a stationary warp. I think they are to be regarded in the light of abandoned, and, judging from the specimens of the work filed as exhibits in the case, as unsuccessful, experiments before the date of complainant's invention. There is considerable testimony in the case tending to show that the elastic webbing can be well made by the use of a rising and falling rubber warp. Machinery operating in that way is open to be used without infringing the complainant's patent. The fact that defendant prefers to use the mechanism patented to complainant is evidence that there is sufficient utility in the invention to support a patent.

Decree for complainant.

Thomas A. Jenckes, for complainant.

B. R. Curtis, Benjamin Dean, for defendant.

MARCH, 1874.

THE GRACE LOTHROP.

Sect. 13 of the act of June 7, 1872 (17 Stats. 262), requiring agreements of seamen to be signed in the presence of a shipping commissioner, refers only to the agreements mentioned in sect. 12 of that act.

The second clause of sect. 14, which provides for penalty for receiving to be entered on board a merchant-ship any seaman engaged or supplied contrary to the provisions of the act, does not refer to seamen who have agreed to make a voyage not mentioned in sect. 12, and have not signed the agreement in presence of a shipping commissioner.

Sect. 8 authorizes the master, owner, or consignee of a ship about to make a voyage not mentioned in sect. 12, to be his own shipping commissioner; and this provision is not affected by sects. 13 or 14.

LOWELL, J. This libel is brought by the district-attorney in behalf of the United States, to enforce a penalty not exceeding \$1,000, for five seamen alleged to have been engaged or supplied contrary to the provisions of the act for the appointment of shipping commissioners, approved June 7, 1872 (17 Stats. 262), and to have been knowingly received on board by the master of said vessel, at Boston, on the eighteenth day of December last. The particular charge is, that the agreement with the men was not signed in the presence of a shipping commissioner, although there was such an officer at Boston, duly qualified and ready to act. The voyage was from Boston to one or more ports in the West Indies, and back to Boston. The answer admits the shipment of the men, but denies that the voyage was one within that part of the statute requiring agreements to be signed before a shipping commissioner. The first section of the shipping act which mentions agreements is sect. 12, which prescribes a particular form of agreement to be entered into by the master with his crew before he proceeds on any foreign voyage, or on one from the Atlantic to the Pacific coast, or *vice versa*. This section was amended in January, 1873 (17 Stats. 410), so as to remove from its scope voyages to the West India Islands or to Mexico. Sect. 13 of the principal act then goes on to require that all agreements shall be signed in the presence of a shipping commissioner. Sect. 14 makes the ship liable to penalties: First, if any person shall be carried to sea as one of the crew on board of any ship making a voyage as before specified "without entering into an agreement

with the master in the form and manner and place and times hereby in such cases required ;” and, secondly, if any master, mate, or other officer of any ship, knowingly receives to be entered on board of any merchant-ship, any seaman who has been engaged or supplied contrary to the provisions of the act. The argument for the United States is, that the language of sect. 13 is very broad, and is intended to include not only the agreements mentioned in the act itself, but all those which may be made under the act of 1790, which takes in all voyages of any importance, excepting in the fisheries ; that the first penal clause of sect. 14 punishes a non-compliance with the act of 1872 by carrying seamen to sea who have not signed an agreement in all respects as required by sect. 12 ; and the second penal clause, punishing the taking on board seamen illegally engaged or supplied, must refer to something, and why not, then, to seamen who come within the act of 1790, and have signed an agreement as required by that act, but not before a shipping commissioner ? I shall presently show that neither of these sections has the meaning contended for ; but my decision is chiefly based upon sect. 8, which provides, in so many words, that nothing in the act contained shall be construed to prevent the owner, master, or consignee of any ship, except as described in sect. 12, from performing himself, so far as such ship is concerned, the duties of shipping commissioner under this act. This is a controlling section, which governs sects. 13 and 14, and all others, and explicitly declares that nothing contained in them, or any of them, shall be construed to prevent the master, in such a case as this, from shipping his own crew. Granting, therefore, that the construction of sects. 13 and 14, contended for by the prosecution, is sound, then all agreements not mentioned in sect. 12 must be signed in the presence either of the official commissioner or of the master, owner, or consignee ; and the libel in this case does not allege any thing except the absence of the duly qualified official. It does not say that the master, owner, or consignee did not act as shipping commissioner, and act fully and with all due form in that capacity. This was the point relied on in argument ; but there are others of considerable force. Recurring now to sect. 13, it is as follows : “ The following rules shall be observed respecting agreements : First, every agreement (excepting in such cases of agreement as are hereinafter specially provided for) shall be

signed by each seaman in the presence of a shipping commissioner ;” secondly, they are to be signed in duplicate, one part of which shall be retained by the shipping commissioner, and the other shall contain a special form or place for the description and signatures of persons engaged subsequently to the first departure of the ship ; thirdly, there is to be an acknowledgment and certificate under the hand and official seal of the commissioner, indorsed on the agreement, testifying to all the acknowledgments, and to the intelligent and sober appreciation by the men of the contract they have signed. And it is tolerably clear, I think, that all this apparatus was not intended to be brought into operation four times a week, for voyages between this port and New York. This I say merely by way of illustration. It must apply to all coasting voyages, if it applies to any voyages not mentioned in sect. 12. I am not sure that I can express my opinion as clearly as I hold it ; but it does seem to me that sects. 12 and 13 are one enactment, concerning one and the same subject-matter, and no other ; that the former requires agreements to be made in certain cases, and the latter provides how they shall be signed and acknowledged. It is said that the expression “ every agreement ” is broad enough to cover all those required in coasting voyages by the act of 1790. This is true. But it is much broader than that. It will cover every agreement made by a seaman for any voyage, or, indeed, for any thing else ; there is nothing in sect. 13 to limit it to any subject-matter. It is, simply, every agreement shall be signed by the seamen in the presence of a shipping commissioner. It is confined to seamen signing agreements, and that is all. Of course it must be limited, and by the context ; and the only context is sect. 12. The well-known statute of 20th July, 1790, sect. 1 (1 Stats. 131), requires the master of every ship or vessel bound on any sort of a voyage, coasting or other, with very trifling exceptions, before he proceeds on the voyage, to make an agreement in writing or print with every seaman, under a penalty of twenty dollars. This has been held not to include whaling and fishing voyages. The argument for the United States, as I have said, imports this statute into sect. 13 of the act of 1872, by the words “ agreements ” and “ every agreement.” Another objection to this construction is, that under it, if a master, about to proceed on a coasting, or Mexican, or West Indian voyage (which is admitted

to come under the act of 1790, and not under sect. 12 of the act of 1872), makes no written agreement with any of his crew, he is liable to a penalty of twenty dollars for each seaman carried to sea, while if he makes one in strict and careful conformity with that statute, but not in presence of a shipping commissioner, the penalty is \$200 for each seaman. For it has not been contended, and cannot be successfully maintained, that the act of 1872 punishes the neglect to make any written agreement at all, except as required by sect. 12. Nay, more, the act of 19th June, 1813 (3 Stats. 2), requires a written agreement for the cod fishery, and imposes no penalty for a breach; whaling voyages and those for mackerel are always made under written agreements, though no statute requires it. All these agreements are within sect. 13, if those under the statute of 1790 are included; for an agreement is an agreement. If this be the true construction of the act, it holds out a strong inducement against making written contracts in any of these cases, because the whole real and actual contest is a question of the fees of the shipping commissioner, and the trouble and formality attending the shipments before such an officer. It is said that it would operate beneficially if all agreements were signed before a commissioner. That may be so. As regards foreign voyages, I agree to it most heartily. But the protection which the commissioner would afford is of comparatively little importance in the coasting trade, in which the crew have frequent opportunities to obtain redress of any wrongs they may suffer; because they are never many days' sail from a home port, and in which they seldom suffer any wrongs. It is a fact well known to all judges in commercial ports, that there is very little complaint or litigation between officers and men growing out of the voyages not mentioned in sect. 12. Scarcely a term passes that I do not try several indictments for offences said to have been committed on foreign voyages; and I can recall but one criminal case that I ever tried in which the complaint related to a coasting voyage. The same sort of protection which would be afforded by shipping seamen for the coasting trade in presence of a commissioner would be derived by discharging them before that officer; and the commissioner's services are more necessary at this time, because most of the disputes concern the perquisites and charges rather than the contract; but the necessity for this is expressly negatived by

sect. 22. I shall speak in a moment of the suggestion that there is no such express exception in sect. 13. To me it is plain that Congress, as shown by sects. 8, 12, 22, and many others, did not intend to hamper our enormous coastwise trade, with its constantly recurring voyages, by the burden of paying the fees of shipping commissioners; and I see good reason for the exception. And some one has prevailed on the legislature to class West Indian and Mexican voyages with the coasting trade in this respect. It is said that if it was intended to limit the broad and general language of sect. 13, it would have been easy to say so in the section itself. It appears to me that the limitation is plain enough. But, if not, the remark is quite as pertinent, and more so, that if Congress intended to include in sect. 13 agreements which are not mentioned in the act, it was not only easy, but highly necessary, to point them out. I do not mean to be understood that sect. 13 is free of difficulty. The main question of its construction is now pending before the Supreme Court, on a certificate of division of opinion from this Circuit and District, and with whatever decision is made I shall not only be bound to be, but shall be, entirely content.

The next point is whether the second clause of sect. 14 punishes the taking on board ship a seaman who has signed such an agreement as is required by the act of 1790, but has not signed it before a shipping commissioner. We here concede, of course, for the purposes of the argument, that sect. 13 requires such signing. I consider it tolerably certain that this part of sect. 14 has no such intent. The offence is receiving on board seamen who have been engaged or supplied contrary to the provisions of the act. Now there is nothing in the act, or in any other that I know of, which regulates the engaging or supplying of seamen before they are taken on board ship. The acts of 1790 and 1872 require certain agreements to be made before the voyage is begun; but it is entirely consistent with these laws, and is the practice in some trades, to make the agreements on board the ship, after the seamen have been orally engaged. How, then, can this offence be committed? I do not know. But I do see that there is nothing in the act of 1872 contrary to which seamen can be received on board a merchant-ship. This penal clause, excepting in the amount of penalty, and the person who is to pay it, is taken literally from the merchant shipping

act of Great Britain of 1854, sect. 147, in which it has a totally different sense from that now proposed for it. That statute provides not only for shipping commissioners (called in that act shipping masters), before whom agreements are to be signed and men discharged, &c., but also that a certain number of persons may be licensed in a certain way to procure and supply seamen for merchant-ships, that is to say, to make the original and general oral engagement with them; and there is a penalty on any unlicensed person who shall procure or supply seamen; and a penalty on the master who receives on board persons so unlawfully engaged or supplied, which is the clause now under review. Its intent is plain and intelligible, and has nothing to do with the written agreement one way or another. Now I admit that our act does not provide for any such license, and therefore cannot have the meaning given it in England, and I admit we must try to give a meaning to every part of every act of Congress; but I cannot admit that I ought to exercise a great deal of ingenuity to find a secondary or conjectural sense for a set of words which has been taken bodily from a place where its intent is obvious, and put into one where there is no apparent meaning for it. I know, in point of fact, that it must have been adopted for what it might turn out to be worth in its new quarters. I agree, further, that the word "engagement" might include a written agreement. But when the defined offence is the receiving on board a ship seamen not duly engaged or supplied, and there is no law regulating their supply, and no law which requires the written engagement, if we choose to call it so, to be made before they are received on board; and when the natural and obvious and historical meaning of the word does not refer to any written agreement, and if it be construed to mean any written agreement, the offence must depend on whether the master chooses to make the written agreement on shore or on board,—I conclude that "seamen engaged or supplied" does not mean seamen who happen to have signed one sort of contract or another before the time when there is any necessity for them to sign any thing.

I have seen copies of the judgments of the District and Circuit Courts for the Eastern District of New York in the case of the City of Mexico, which sustain the position of the prosecution. It is hardly necessary for me to say that these judg-

ments have received my most careful and respectful consideration. Were it not for that decision I should not consider this case a very doubtful one. I venture to say, however, that, as far as may be gathered from the opinions of the judges, the case was very imperfectly presented by the defence, and what argument there was, took up the wholly untenable ground that the act of 1790, so far as Mexican voyages are concerned, had been repealed; and a great part of the opinions is taken up in a convincing refutation of that argument. No allusion is made to sect. 8, nor to any of the arguments which seem to me to have force in construing sects. 13 and 14. It is impossible for me, therefore, to ascertain whether these arguments might not have had some weight, and even a controlling weight, in the case, if they had been presented or suggested. Sitting here under a responsibility which I cannot transfer except when a decision of binding authority upon this court has been made, my best judgment is: 1. It is doubtful whether sect. 13 refers to any agreements not mentioned in sect. 12. In my opinion it does not. 2. It is doubtful whether sect. 14, second penal clause, has any reference to the signing of written agreements. In my opinion it has not. 3. Sect. 8 expressly declares that on a voyage of the kind now in judgment the master may be his own shipping commissioner, and this libel does not negative the master of the *Grace Lothrop* having acted as such commissioner on this occasion.

Libel dismissed.

E. L. Barney, for the United States.

S. J. Thomas, for the ship.

MARCH, 1874.

W. H. GIBBS v. ROLAND G. USHER *et al.*

The Circuit Court has jurisdiction in equity on bill or petition filed, and proper case made, to restrain the use of its process by the marshal in a manner contrary to law.

Under the General Statutes of Massachusetts, replevin lies in that State, and therefore by the practice act of 1870 (17 Stats. 196), in the Circuit Court for the District of Massachusetts, for writings or documents of value unlawfully detained.

MOTION for preliminary injunction. The bill of complaint charged that Mr. Joy, an attorney, pretending to act for one David Bowlas, of England, sued out a writ of replevin in this court, in the name of said Bowlas, against Gibbs, the complainant, residing at Clinton, Massachusetts; that said Joy went to the house of the complainant, with the defendant Shaw, a deputy of the marshal (the defendant Usher), and others, and asked in a friendly way to see certain papers, without saying that Shaw was an officer, or that they had a writ; and that when the papers were shown them, they seized them, and afterwards fraudulently altered the writ by adding a description of some papers already seized; that the papers seized were the private papers of the complainant, and that neither said Bowlas, nor any one else except the complainant, had any right or title thereto; that they related to the private transactions of the complainant with other persons in matters of business, which he was bound not to make public, and the publication of which might work great injury to the business interests of the complainant and others; that he believed the pretended plaintiff in replevin to be dead, and that the object of the seizure was to obtain for the said attorney and others an inspection of the complainant's private papers; that the publication of the papers would be an irreparable injury to the complainant; that the papers were not subject to be replevied; and that the writ was void for several other reasons.

The prayer of the bill was, that the marshal and his deputies be restrained from exhibiting or delivering the papers to any person but the complainant, and be ordered to deliver them to him; and that the further prosecution of the writ of replevin be stayed.

Upon the motion for a preliminary injunction, affidavits were filed tending to support the charges in the bill as to the mode in which the papers were obtained, and the charge that the writ was altered after the seizure.

On the part of the defendants, it was contended, and there were affidavits tending to show, that the David Bowlas, plaintiff in replevin, was living, and was the only son of the David Bowlas mentioned in the bill, and carried on his business; that David Bowlas (the elder) was the owner of a certain English patent by assignment from the original inventors; that certain persons were sued in this court for an infringement of this

patent, taken out in this country in the names of the original patentees ; that the defence, or part of it, was, that the supposed infringers bought the infringing machines from Bowlas, the owner of the patent ; that Gibbs had been intrusted by Bowlas (the elder) with the original assignment and some other papers, and had refused or neglected to return them to the son, though requested ; that they were needed in the defence of the suits above mentioned, and that Mr. Joy had an order for them from Bowlas, the younger ; that when the parties called on the complainant they exhibited to him the order from Bowlas ; and that, although some alteration was made in the writ, it was before they considered the writ to have been served.

H. F. French, for plaintiff.

1. The writ of replevin is void for not alleging the citizenship of the parties, and for other imperfections.

2. Private papers are not repleviable. *Brent v. Hagner*, 5 Cranch, C. C. 71 ; *Maxham v. Day*, 16 Gray, 213 ; *Mack v. Parks*, 8 Gray, 517 ; *Oystead v. Shed*, 12 Mass. 510.

3. If the seizure was fraudulent, the court will not allow the defendants to derive any advantage from it. *Deyo v. Jennison*, 10 Allen, 410 ; *Parsons v. Dickinson*, 11 Pick. 352.

B. F. Butler, *A. K. P. Joy*, for defendants.

1. The court has no jurisdiction of this bill.

2. The plaintiff has proved no title to the papers. *Clapp v. Shephard*, 23 Pick. 228.

3. Replevin lies for writings. *Sawyer v. Baldwin*, 11 Pick. 492.

LOWELL, J. The jurisdiction of the circuit courts, in equity, of a bill or petition to restrain the marshal from attaching on a writ out of this court, B's property in a suit against A, though both the marshal and the complainant live in the same district, is clearly laid down in *Freeman v. Howe*, 24 How. 460 ; and is almost a necessary corollary from the law of that case, which was, that no other court had any right to interfere with the marshal's possession. The principle will extend to any case in which the process of the court is made use of contrary to law, if the judgment in the action at law will afford no adequate redress. For example, if it were proved that the marshal, under color of a precept of this court, was about to inflict an injury not warranted by his writ, and yet one which could not be compensated

for in damages, the court might, on bill or petition, and perhaps on motion, interfere to arrest the evil.

That a court of equity may restrain the service of a writ, I think equally clear, as a general proposition. I once brought a bill in the Supreme Judicial Court of Massachusetts, to restrain the service of a writ of personal replevin, by which it was sought to release a patient from a lunatic asylum. The case was of novel impression ; but I proved that the injury might be irreparable, and I tendered the same issue in the bill that would be raised by the writ, that is, the issue of sanity. I had already a *prima facie* case, because the same court had refused to release the patient on *habeas corpus* ; and, under the Massachusetts practice, issues can always be ordered in an equity suit to be tried by jury. Under these circumstances, I obtained the injunction, although a writ of personal replevin is undoubtedly a writ which issues as a matter of course in ordinary cases.

It is argued that replevin does not lie for private papers, the statute only mentioning "goods." (Gen. Stats. chap. 143, sect. 10.) How extensive the meaning of the word "goods," or "goods and chattels," is to be understood in any instance, must depend on the subject-matter and the context. "Goods" may include every thing but what descends to the heir. Com. Dig. *Biens*, C, D ; Dane, Abr. chap. 13, art. 3, sect. 1. Choses in action may pass by that name. *Ford & Sheldon's Case*, 12 Rep. 1 ; *Ryal v. Rowles*, 1 Ves. Sen. 348. That replevin is the remedy in Massachusetts, if there be any at all, is clear, because detinue long since fell into disuse ; and since 1852 there have been only three forms of personal action, contract, tort, and replevin. One of the reasons for the change was, that replevin was so administered as to take the place of detinue. See *Badger v. Phinney*, 15 Mass. 362 ; *Baker v. Fales*, 16 Mass. 154 ; *Essex v. Tarbell*, 9 Cush. 407. By the act of 1823, chap. 140 (9 Stats. 399), jurisdiction in equity was given to the Supreme Judicial Court to compel delivery to the owner of any goods, chattels, deed, bond, note, bill, specialty, writing, or other personal property, that was so taken or detained that it could not be replevied. When the statutes were revised, all the description of property after the word "chattels" was omitted, not to narrow, but to enlarge, the meaning, the commissioners reporting that "goods and chattels" would cover more than any possible or practicable enumeration. Rev. Stats. chap. 81, sect. 8, and report of commissioners thereon ; Gen. Stats. chap. 113, sect. 2.

It is clear, then, that replevin will lie in this State whenever detinue might have been brought at common law. Some remarks of text-writers seem to imply that detinue only lies for deeds that attend the inheritance. 1 Chitty, Pl. 122; 1 Saunders, Pl. & Ev. (2d ed.) 987. But Fitzherbert's Reg. Brev. 159 *b*, mentions deeds, writings obligatory, &c., and any "cyrographum," which, Du Cange says, means "chirographum," and that means, I suppose, any writing. One meaning is a note of hand. Valpy, Etym. "Chirog." That such is the scope of detinue at present, and of replevin in Massachusetts, hardly needed so much argument: the cases are decisive. See *Myers v. Friend*, 1 Rand. 12; *Todd v. Crookshanks*, 3 Johns. 432; *Cummings v. Tindall*, 4 Stew. & Port. 357; *Sawyer v. Baldwin*, 11 Pick. 492; *Parish in Sudbury v. Stearns*, 21 Pick. 148; *Mills v. Gore*, 20 Pick. 28; *Clapp v. Shephard*, 23 Pick. 228; *School Dist. v. Lord*, 44 Me. 374; *Savery v. Hays*, 20 Iowa, 25. The authorities cited for the complainant show that such writings cannot be attached on *mesne process*; but that is not germane to the question whether the owner can recover them by replevin.

It was assumed by both parties that the late practice act of the United States adopts the forms of action now in force in the State, and if so, replevin, and not detinue, is certainly the true form in the Circuit Court. I therefore proceed to consider the merits of the motion for a preliminary injunction. Two questions are to be answered:

1. Did the plaintiff in replevin, or his attorney, obtain possession of the papers in such a way that equity will not permit him to hold them? 2. Are they papers clearly belonging to the defendant in replevin the publication of which might be scandalous or injurious?

Taking the latter point first:—The only paper which is held under the writ is an indenture which purports to be signed and sealed by Ellis & Sladdin, and to assign to David Bowlas certain letters-patent, and the invention itself therein mentioned, and all other patents and extensions which the grantors may obtain on account thereof. I do not find Mr. Gibbs's name mentioned in this deed, nor is there any evidence connecting him with it, excepting affidavits which tend to show that it was lent him for some purpose, perhaps for a like purpose to that for which it is now needed by other persons. There is nothing in the paper

itself, nor in the evidence. to bear out the assertions of the bill, that the paper is his property, that it is a private paper in any sense except that it is the private property of some one, and apparently of Bowlas, or that its publication can injure Mr. Gibbs, or any one else. On the contrary, it seems to be of record in England, and to be intended for publication. All the evidence tends to show that the equities set up in the bill are untrue in fact, and there is nothing which proves, or tends to prove, that any of the asserted mischiefs can attend the execution of the writ.

On the other point, I am relieved from some part, and the least agreeable part, of the inquiry ; because, if the writ was altered after the service, it was to insert some papers which the marshal, as I am informed, has returned to the complainant in equity : at all events, they are not in his possession, and were not so when this bill was brought. The indenture was fully described in the writ ; and the only evidence which applies to this paper is that Gibbs was not notified of the writ before he was induced to produce the paper. This is not a sufficient reason for a court of equity to interfere, without something more to complain of. The evidence tends to show that the attorney had an order for the papers from the true owner, and had a right to see them, and to carry them away. No false statement was made to Gibbs ; and the suppression of truth does not seem to be any thing like a fraud. I agree entirely with the cases cited, which hold that an attachment made by fraud or force shall be void ; but in these cases positive rights were infringed, and the title set up by the creditor was derived through his own wrong. Here Mr. Gibbs has shown no title beyond the fact of possession, which is explained by the affidavits, and a bare assertion that these are his private papers, whose publication will be very injurious, an assertion which the indenture itself refutes. If he had refused to deliver the indenture on demand, I suppose a bill in equity would lie to enforce the delivery ; and a court of equity will not dismiss a suit at law when the only result will be to require a new suit for the same cause in equity, the courts having concurrent jurisdiction, and there being no special reasons for the interference of equity rather than law.

Motion denied.

MAY, 1874.

THE GOODYEAR DENTAL VULCANITE COMPANY *et al.* v. DANIEL H. SMITH.

The specification of a patent described the patentee's method of making plates for artificial teeth. The claim was for "the plate of hard rubber or vulcanite, or its equivalent, for holding artificial teeth, or teeth and gums, substantially as described." *Held*, that the patent was for the described article produced by the described process.

An application for a patent was wrongly rejected in 1856. The applicant did not acquiesce in the rejection, nor withdraw the application, but pressed it from time to time as his means permitted; and in 1864, obtained a patent upon a new application amended so as to conform to the original application. *Held*, that the inventor did not lose any rights by unauthorized public use of the invention during the interval between the first and second applications.

The reissue patent granted to the Dental Vulcanite Company, March 21, 1865, for an improvement in artificial gums and palates, held valid.

SHEPLEY, J. Letters-patent of the United States, issued June 7, 1864, to John A. Cummings, for improvement in artificial gums and palates. The bill in equity in this case is filed against the defendant, alleging infringement of the letters-patent which, upon a surrender of that patent in accordance with law, were reissued to the Dental Vulcanite Company, the assignees of the title in and to the letters-patent, upon the 21st of March, 1865. While the patent describes the invention as "an improvement in artificial gums and palates," the patentee gives a better description of his invention in his specification in his original patent, in which he claims to have invented certain new and useful improvements in the manner of forming artificial palates and gums used for inserting artificial teeth. The claim in the patent is for "the plate of hard rubber or vulcanite, or its equivalent, for holding artificial teeth, or teeth and gums, substantially as described." This claim of the patent has been construed in this Circuit, in the cases of *Dental Vulcanite Co. v. Wetherbee*, 2 Cliff. 555, and *Goodyear Dental Vulcanite Co. v. Benoni E. Gardner*, 4 Fish. 224. The substance and effect of the determination of the court in those cases is, that the invention claimed was the described product and manufacture by the means described in the specification. Adopting the construction given in those cases to the claim in the patent, I know no better description to be given of the in-

vention patented to John A. Cummings, and reissued to the complainant than this, that it is for a new article of manufacture, consisting of a plate of hard rubber or vulcanite, with teeth, or teeth and gums, secured thereto in the manner described in the patent. The patent is not for a process or art, but for the new product resulting from the manipulation by the described new process. It is one of those products, as will be seen by examination of the specifications describing the process of manufacture, in which the process so inheres that the described product can only be made by the described process. The patent is not for a dental plate of vulcanite or hard rubber alone; it is not the substitution of the old material, vulcanite, in place of the gold and other materials which have been before used in the same way; it is not, as claimed by defendant, for a dental plate of hard rubber vulcanized in moulds in the manner described in the patent: but it is for a set of artificial teeth as a new article of manufacture, consisting of a plate of hard rubber or vulcanite, with teeth, or teeth and gums, secured thereto in the manner described in the patent, by embedding the teeth and pins in the vulcanizable compound so that it shall surround the teeth and pins while the compound is in a soft state before it is vulcanized, so that when the compound is vulcanized the teeth are firmly secured by the pins embedded in the vulcanite, and there is a tight joint between the vulcanite and the teeth. This manufacture was a new manufacture, new as to the thing made, new as to the process of making it, considering that process as a whole. The invention is not like that of a machine, but is one in which the process by which it is made is a part of the substance of the thing made, the manufacture, and a characteristic feature of its construction. It is evident, from an examination of the very brief and imperfect description of the invention given by Cummings in his caveat, filed as early as May 14, 1852, that he fully appreciated the fact that the importance of his invention consisted not merely in the substitution of a material "rigid enough for the purposes of mastication, and pliable enough to yield a little to the mouth," in place of the "hard, unyielding" metals previously used, and not merely in the substitution of a material light and inexpensive in place of the expensive and heavy materials before used for the plate, but also in the additional fact, which he states, that "by his improvement the teeth can be easily baked into the gums, which form one piece

with the plate." This statement at that early period sufficiently suggests that he fully appreciated the advantages of the material which he used, and which was capable of being so used in the process as to insure the cleanliness and purity resulting from the absolutely perfect joint formed between the teeth and the plate, and the consequent absence of any crevices for the retention of food.

In the specifications of the reissued patent, after adverting to the fact that the method previously in use of attaching artificial teeth to a metallic plate fitting to the roof of the mouth was attended with many objections and inconveniences, he states his invention to consist "in forming the plate to which the teeth, or teeth and gums, are attached, of hard rubber or 'vulcanite,' so called, an elastic material possessing and retaining in use sufficient rigidity for the purpose of mastication, and at the same time being pliable enough to yield a little to the motions of the mouth." He then describes what he calls his "manner of making and using said hard rubber plates," but which would be more appropriately described as his mode of forming and making a set or case of teeth, including the plate, gums, and teeth. A wax or plaster impression of that part of the mouth which the plate is to fit is first taken, and from that impression a plaster cast is made which will exactly resemble that part of the mouth from which the first impression was taken. A plate of wax of the general form of the intended rubber plate is then made from this plaster cast, and around the front of this wax plate a vertical ridge of wax is fixed, about in the same position which the teeth are to occupy, in the same manner as is generally practised in the construction of gold plates for artificial teeth. A plaster mould is then made from this wax plate, fitting it both on the upper and under side, which plaster mould is known, generally, as the articulator, and is constructed so as to hold the wax plate securely and conveniently for manipulation, leaving the front edge, where the teeth are to be applied; exposed and accessible. The specification then describes the kind of teeth which may be employed, and says, the mode of operation is the same whether the teeth have porcelain gums formed in one piece with the teeth, and properly colored, or teeth without porcelain gums, in which case the palate and gums are formed of one piece of hard rubber; the mode of operation is the same whether gum-teeth, or teeth alone,

are used, either singly or in groups. The teeth are set in place in the wax plate, and adjusted to the proper distance and fulness in the same manner as is generally practised in setting teeth in gold plates. The wax plate and gums, with the teeth adhering thereto, are now set upon the original plaster cast of the corresponding part of the mouth, and plaster is poured all around up to about the lower edge (as it lies) of the wax plate. The margin, or outlying surface of plaster, is oiled or varnished, and plaster poured over the whole, forming a complete mould of the plate and teeth. Upon the opening of this mould, the wax is warmed and removed so as to leave the teeth adhering in the plaster mould in exactly the relative position they are to occupy in the hard rubber plate. The teeth are provided with pins projecting therefrom in such manner that the rubber, which is to constitute the plate, will close around them, and by means of them hold or secure the teeth permanently in position. The plaster mould with the teeth adhering therein, as just described, is now filled with soft rubber, a little at a time, pressed in with the finger, or any other convenient way; and care is to be taken that the rubber is made to completely fit into the cavities, and around the protuberances, including the pins, and is filled to the thickness or depth desired to form the plate. The rubber plate is then locked in position by shutting the other half of the plaster mould over it to insure its retaining its exact form, and it is then subjected to sufficient heat to harden or vulcanize the compound.

While defendant admits that this process or mode of constructing the plate or case of teeth, which is included in the claim of the reissue, constitutes a substantial and material part of the thing patented therein, yet he insists that it was not described or suggested or indicated in the original patent of June 7, 1864, but was interpolated in the reissue, which is therefore invalid, having been granted contrary to law.

Since the exhaustive exposition of this branch of the law of patents, in the case of *Seymour v. Osborne*, 11 Wall. 516, the principles of law applicable to the consideration of this question are too well settled to admit of any doubt. Where the commissioner accepts a surrender of an original patent, and grants a new patent, his decision on the premises in a suit for infringement is final and conclusive, and is not re-examinable in such suit in the

Circuit Court, unless it is apparent upon the face of the patent that he has exceeded his authority, and that there is such a repugnancy between the old and the new patent, that it must be held as matter of legal construction that the new patent is not for the same invention as that embraced and secured in the original patent. Reissued letters-patent must, by the express provisions of the statute authorizing them, be for the same invention; and, consequently, when it appears on a comparison of the two instruments, as matter of legal construction, that the reissued patent is not for the same invention as that embraced and secured in the original patent, the reissued patent is invalid, as that state of facts shows that the commissioner in granting the new patent exceeded his jurisdiction. The patentee may amend what is defective or insufficient in the description of his invention, but he cannot make any material additions to the invention claimed in the original, by interpolating in the reissue any thing not described, suggested, or substantially indicated in the original specifications, drawings, or Patent Office model. The claim of the defendant is, that, in the reissue No. 1,904, a new process of forming the plate is substituted for the one described in the original patent; and that the new process described was not suggested or indicated in the original patent. To properly determine this question, we must carefully examine the two specifications, to ascertain what steps in the described process are claimed as new, as distinguished from those steps in the process which were old. The plaster moulds, or the manner of using them, or of the wax in connection with them, are not described or claimed as new. What is described and claimed as new in the process is, in substance, the making of a vulcanite dental plate out of a vulcanizable rubber compound, into which the teeth were embedded in its plastic condition, and the rubber compound, with the teeth thus embedded in it, afterwards vulcanized by heat so that the teeth, gums, and plate should be perfectly joined without any intervening crevices, and the plate should possess the qualities of hard rubber or vulcanite. All that is involved in this statement is clearly indicated in the original patent. It is true that the patentee does not describe in detail precisely how the teeth were to be embedded in the plastic compound, before vulcanization, as fully as he states it in the reissue, but he does substantially indicate and describe the new manufacture, and all that is claimed in

the reissue. Upon a comparison of the two patents, and an examination of the specifications and of the drawings, the court cannot arrive at the conclusion, as a matter of legal construction of the instruments, that the reissued patent is for any different invention from the one substantially indicated in the original. It is insisted in argument that Cummings did not, in his original application, describe a vulcanizable compound, because he says, "the teeth, gums, and plate are then baked until the rubber or other elastic material becomes sufficiently vulcanized." This description, it is contended, does not apply to vulcanite, because the soft rubber is not elastic before vulcanization. But when we take the whole description, it is plain that he does not intend by the expression, "or other elastic material," to apply it to the rubber in its soft, plastic, or putty-like condition, but to a material which may be an elastic material, either before its reduction to the soft condition, or after its vulcanization. This meaning, however imperfectly expressed, is easily gathered from the whole description, which plainly designates the material to be used as rubber, and the compounds commonly employed therewith, reduced to a soft plastic condition capable of vulcanization, and subsequently vulcanized.

The defendant also seems to have misapprehended the language of the court in *Goodyear Dental Vulcanite Co. v. Gardner*, 4 Fish. 226, where it is said, speaking of the claim, that "it includes not only the plate of hard rubber for holding artificial teeth, or teeth and gums, but the process or mode by which they are constructed." It is contended that this construction makes the use of the moulds "the process or mode by which they are constructed;" and that inasmuch as the moulds were not described in the original, the reissue is broader than the original; and inasmuch as the use of such moulds for this purpose was not new, the patent is void. But, upon reading the opinion in that case, it is clear that no such construction as is contended for was given to the claim. The process of forming a plate by the use of plaster moulds was well known; the process of retaining and confining the vulcanizable compound in the mould, until it was converted by heat into hard rubber or vulcanite, was well known to those skilled in that art, and for that reason perhaps Cummings considered it unnecessary to describe minutely those details of the process in his original application. But, upon the suggestion that

these steps in the process were not known to those skilled in the art of *dentistry*, a reissue was taken, which more at length described all the steps of the process. In view of the construction heretofore given to the claim, and in view of the evidence in this record, which shows that the use of such moulds in the described mode, and for the described purpose, was known to those skilled in the art, it is at least doubtful if there was any necessity for a surrender and reissue. Such a use of moulds was not "the process or mode by which they are constructed," referred to by the court in the sentence above quoted from *Goodyear Dental Vulcanite Co. v. Gardner*. What the true construction is, as given by the court in that case, we have before stated, and need not repeat.

It is again, in this case, most strenuously contended that Cummings was not the original and first inventor of the thing claimed by him, or a material and substantial part thereof. Considering the importance of this question, the great pecuniary interest involved, the public interest as well as the interests of the many thousand licensees under this patent in the dental profession, and the thousands who are alleged to be using the patented invention without license; and in view of the fact that this has been made a test case, and carefully prepared and presented to the court with all the light that can be thrown upon the history of the art, by careful and scientific research; I have carefully considered the evidence in the record upon the question of novelty, as if this were the first case in which this issue was presented. The first step in the solution of this question is to fix the date of the invention of Dr. Cummings. The caveat filed by him on the 14th of May, 1852, substantially describes his invention; and if there can exist any doubt that it was perfected at that time, there can be no question that it was perfected and reduced to practice in the latter part of 1854, or early in 1855, and before he filed his application for a patent on the 12th of April, 1855.

It is insisted, on the part of the defendant, that Cummings allowed his invention to be used freely and fully by the public before his application for a patent, and acquiesced in and permitted and assented to such use without asserting any claim or right thereto, and thereby waived and abandoned the same and dedicated it to public use, and thereby forfeited any right he might have had to letters-patent for his invention. Support to

this theory of the defence is sought in the fact of the long space of time suffered to intervene between Feb. 6, 1856, when his first application was rejected by the commissioner, and his subsequent application in 1864. He did not after this rejection exercise his statute right to withdraw his application and receive back his fee of twenty dollars; and although he did not appeal from the commissioner, he persisted in his claim for a patent. In the case of *Godfrey v. Eames*, 1 Wall. 317, the Supreme Court decided that if a party choose to withdraw his application for a patent, intending at the time of such withdrawal to file a new petition, and he accordingly do so, the two petitions are to be considered as parts of the same transaction, and both as constituting one continuous application within the meaning of the law. But Cummings did not withdraw his application, nor in any manner acquiesce in the rejection. On Jan. 17, 1859, his solicitor applied to the commissioner for the specification and drawing. When the commissioner declined to return the specification, additional counsel was employed in Washington to make an examination and endeavor to secure a patent. The counsel discovered, in the reasons which had been given for the rejection, that a palpable error had been committed, and applied for a rehearing, or for an appeal to the board of examiners. This application was also refused. Cummings was then poor, too poor to pay the expenses necessary to a persistent and successful prosecution of his application. Constantly persisting in the assertion of the importance and great value of his invention, he wearied his friends with his importunities for the means necessary to prosecute his claim and secure his patent, even offering, in vain, one-half of his patent for the means necessary to secure it. He finally prevailed upon Flag and Osgood to assist him with means; and on the 1st of March, 1864, he made a new application, which was filed March 25, 1864. On the 7th of April, 1864, the office replied to him: "Your present claim is embraced in an application filed by you in 1855, and rejected for want of novelty." The commissioner admits, that, although three times rejected, his former claim and specification, as amended before such rejection, so as to confine it to hard rubber or vulcanite, was improperly rejected, "the case of Stearn's vulcanized rubber palate and vellum, to which you were then referred, having no bearing whatever upon your invention." After the new application was amended at the suggestion of the

commissioner, so as to limit the claim and specification to make it conform to the original application as amended, the patent was issued on the 7th of June, 1864, which the commissioner thus decided he was entitled to have received on his application of April 12, 1855. That under such circumstances he neither lost, nor did the public acquire against him, any rights by their unauthorized use of his invention during the time after his application was made, when he was doing all in his power to secure a patent, is clear on principle, and well settled by the authorities. It is only necessary in this connection to refer to the very able opinion of Judge McKennan upon a similar state of facts in the case of *McMillan v. Barclay*, which leaves nothing more to be said upon this branch of the case, and if further authority be needed, it will be found in the opinion of Mr. Justice Clifford, in *Jones v. Sewall*, 3 Off. Gaz. 630.

Upon the question of novelty, the construction which has been given to the claim renders it unnecessary that any particular allusion should be made to the foreign patents or publications, or to the great mass of the evidence in the record exhibiting the state of the art prior to the patented invention. For it is not even claimed in argument that before the date we have ascribed to Cummings's invention any other person had successfully made what we have defined as his new manufacture; namely, a set of artificial teeth, consisting of a plate of vulcanite with teeth, or teeth and gums, secured thereto in the mode described in the patent, by so embedding the teeth, with the pins which help to secure them, in the vulcanizable compound in its soft and unvulcanized state as to make a perfect joint after vulcanization. It is, however, claimed that, with gutta-percha, tin, platinum, and porcelain, sets of teeth had been made by a process substantially like that of Cummings, differing in substance from it only in the material used for the base. It is claimed that this is the mere substitution of one known material for another, and therefore not patentable. It is first to be remarked that the process which is new in the Cummings invention, by which the new patented manufacture is made, is not, as defendant supposes, the process of making the moulds, but the process of moulding, forming, and making the united plate and teeth, or set or case of teeth. Without, therefore, considering in this connection the question whether the same process had ever before been used in the manufacture

of a plate with teeth, or teeth and gums, embedded in it so as to make a tight joint, and in effect, so to speak, a perfect union, using for a base a material other than vulcanite, it may be well to consider, upon the hypothesis assumed by the defendant, under what conditions such a substitution of an old material would or would not be patentable. This is not in any proper sense a case of double use. It is claimed that the case at bar falls within the class of cases like *Hotchkiss v. Greenwood*, 11 How. 248. In that case, a knob of porcelain or clay, such as were in common use for door-knobs, was attached to a metallic shank or spindle, by making the cavity in the knob, in which the shank or screw is inserted, largest at the bottom of its depth, in form of a dovetail, and a screw formed therein by pouring in metal in a fused state. The knob was not new, nor the metallic shank or spindle, nor the means by which the metallic shank was securely fastened therein. The only new thing was the substitution of a knob of clay in that form, in that combination, in place of a knob of wood or metal. The jury were instructed in the Circuit Court, that, if no more ingenuity or skill was required to make this change and construct the knob in this way than that possessed by an ordinary mechanic acquainted with the business, the patent was invalid. The Supreme Court, in sustaining the instructions given in the Circuit Court, which were the subject of exception, say (Mr. Justice Nelson delivering the opinion), "The difference is formal, and destitute of ingenuity or invention. It may afford evidence of judgment and skill in the selection and adaptation of materials in the manufacture of the instrument for the purpose intended, but nothing more." The case, when carefully examined, decides only that "a machine made in whole or in part of materials better adapted to the purpose for which it is used than the materials of which the old one is constructed, and, for that reason, better and cheaper, cannot be distinguished from the old one, and, in the sense of the patent law, cannot entitle the manufacturer to a patent." The case of *Hotchkiss v. Greenwood*, as the facts had been found by the jury, and as they were assumed in the opinion of the court, presented nothing more than the naked substitution in the same combination of one material for another, without any attending difference in function or effect. It was precisely as if a patent had been claimed for substituting in the same contrivance a silver knob in place of a brass one, or one

plated with gold instead of one plated with silver, or one plated with gold or silver on a base metal, instead of the base metal knob. The mere exercise of taste or judgment, without invention, in the selection and substitution of materials, is not considered by the court, in that case, sufficient foundation for a patent. But it is not to be lost sight of, in considering the case of *Hotchkiss v. Greenwood*, that when the counsel contended that the mode of fastening the shank to the clay knob produced a new and peculiar effect upon the article, beyond that produced when applied to the metallic knob, inasmuch as the fused metal by which the shank was fastened to the knob prevented the shank from acting immediately upon the knob, it being enclosed and firmly held by the metal; and that for this reason the clay or porcelain knob was not so liable to crack or be broken, and was made firm and strong and more durable; the court disposed of this point, not by deciding that such difference of effect would not be patentable if new, but by saying that this peculiar effect on the clay knob, as compared with the old metal knob, was not distinguishable from that which would exist in the case of the wood knob, or one of bone or ivory, or of other materials that might be mentioned, which were old. In effect, the court decided that the peculiar effect claimed was not new, and therefore not patentable, and not that the combination might not have been patentable had any effect been shown which was new, peculiar, and useful. If the knobs of porcelain or clay used by the complainants in that case had been new, or if, being old, the complainants by a novel use of them in the old combination had accomplished a new and useful result, differing not merely in degree, but in kind, from the result of the old combination, the patent would clearly have been valid; and the case cited is certainly not an authority to the contrary. Strictly speaking, no new manufacture is any thing more than a new combination and arrangement of old materials; and whenever such new combination and arrangement produces a new and useful result, there being diversity of method and diversity of result, the invention is patentable.

The utility of this invention is shown by the vast number of persons making use of it, both as licensees and infringers. To overcome the presumption that it is a new manufacture arising from the grant of the letters-patent, the defendant has not introduced the opinion of any expert who is willing, in view of the

state of the art as known to him and proved in the case, to testify that this was not, at the date of the original application, a new manufacture. Reliance is placed upon the evidence introduced in the case by the defendant, to convince the court of the fact, upon which defendant's experts were not convinced, that the manufacture patented, as distinguished from those which had preceded it, was not a new manufacture. The nearest approximation to the process of manufacture used by Dr. Cummings is, perhaps, to be found in the experiments of William A. Royce and George E. Hawes in casting a base of pure tin in a mould in the same manner substantially in which the vulcanite base is moulded. If these had been successful instead of abandoned experiments, they would not have furnished any obstacle to the granting of letters-patent to Cummings, for reasons clearly apparent. Hawes cast rude sets of teeth in this way for the lower jaw only, the weight of the tin, when made of sufficient strength out of this soft metal, rendering them impracticable for upper jaws. The shrinkage of the metal, when cooling, rendered it impossible to fit the plate accurately to the mouth, and rendered difficult, if not impossible, a tight joint between the base and teeth, to prevent the set from becoming offensive by the deposit in the crevices of food and fluids from the mouth. The extreme heat of the molten tin was communicated to the metal pins, causing them to expand, and resulting in a consequent liability by their expansion to crack the porcelain teeth. The tin, also, was subject to corrosion by the chemical actions of the fluids of the mouth. Royce had also made three cast-tin plates prior to 1850. He abandoned the experiment, making no more after that time. Yet Hawes testifies that the use of vulcanite for dental purposes is the greatest improvement in the profession known to him for twenty-five years, and the testimony of Hawes and Royce alone, given as it is by very intelligent and practical members of the dental profession, would be sufficient to prove the utility of the invention, and to distinguish it as a new manufacture, as compared with any thing known in the prior history of the art. Without going into a detailed examination of the Wildman plates, made by casting tin around the roots of the teeth upon gold or silver plates, and the unsuccessful attempts to use gutta-percha, the experiments of Dr. Hill with a secret compound of gutta-percha and some metallic salt, it is sufficient to state

that none of these, much less any of the printed publications of which notice is given in the answer, suggest or describe an article of manufacture substantially like that described and claimed in the reissued patent on which this suit in equity is based.

Upon a careful review of all the evidence in the record, I have no hesitation in coming to the conclusion that the invention of Dr. Cummings was a new and useful manufacture; that nothing appears in evidence to show that he was not the original and first inventor of the thing claimed by him; that the reissued patent in suit is a good and valid patent; and that the defendant has infringed the same, as alleged in the bill.

Decree for injunction and account.

Edward N. Dickerson, Benjamin F. Lee, for complainants.

Jeremiah S. Black, Henry Baldwin, Jr., for defendant.

MAY, 1874.

EDWARD H. ASHCROFT v. BOSTON AND LOWELL RAILROAD
COMPANY.

In view of the prior state of the art, the reissue patent granted E. H. Ashcroft, assignee of William Naylor, Nov. 9, 1869, for a steam safety-valve having an overhanging downward-curved lip surrounding an annular recess into which the steam passes as it issues from under the valve, if valid, must be limited to the combination of the other elements of the device with an annular recess of the precise form described.

So limited, the patent is not infringed by the use of a steam safety-valve substantially the same as that described and shown in the patent granted George W. Richardson Sept. 25, 1866, although that valve has an overhanging downward-curved lip and an annular recess surrounding the valve-seat, into which a portion of the issuing steam is deflected; the lip and recess being, in construction and mode of operation, substantially different from the lip and recess described in the Naylor patent.

SHEPLEY, J. The bill in this case charges the defendant with infringement of letters-patent of the United States, reissued Nov. 9, 1869, to the complainant, as assignee of William Naylor, of the county of Middlesex, England, for an improvement in steam safety-valves.

The answer of the defendant sets up in defence: *First*, that the reissued letters-patent are not for the same invention de-

scribed in the original letters-patent. *Second*, that William Naylor was not the original and first inventor of the improvements specified in said reissued patent, but that the same were known to others and used by them, as stated specifically in the answer, prior to the alleged invention thereof by Naylor. *Third*, that the reissued patent does not cover and embrace the valve used by the defendant. *Fourth*, that the valve used by defendant is described and contained in letters-patent of prior date to complainant's invention, granted by the British government to Thomas Green, also to Charles Beyers, and by the United States to Henry Waterman, and also to George W. Richardson, and that the invention of George W. Richardson, described in his patent, was made prior to the invention of Naylor set out in the bill.

The invention relates to spring safety-valves for use on locomotive, stationary, and marine engine boilers. As the spring on common safety-valves was compressed by the lifting of the valve, the force of the spring became stronger by tension, while, inversely, from other causes, the tendency of the valve to rise became weaker. The spring safety-valve, therefore, failed to relieve the boiler; for, as the spring was compressed by the lifting of the valve, its power to resist was largely increased, and if steam was rapidly generated, the pressure in the boiler continued to increase while steam was escaping at the valve.

Various attempts have been made, as shown by the various patents in evidence, to obviate this defect in the operation of the common spring safety-valve.

William Naylor, in his specification filed in the Great Seal Patent Office of Great Britain, on the twenty-first day of January, 1864, described two methods of obviating this difficulty. One of these methods claimed by him as his invention, he says, "consists, when using a spring for resisting the valve from opening, in the employment of a lever of the first order, one end resting by a suitable pin upon the safety-valve, and the other end of the lever resting upon the spring being bent downward to an angle of about forty-five degrees from the fulcrum, so that, when the valve is raised by the steam, the other end of the lever is depressed upon the spring downward, and at the same time is moved inward toward the fulcrum, thus virtually shortening that end of the lever, and thereby counteracting the additional load

upon the valve as it is raised from its seat by the greater amount of compression put upon the spring." This method he claimed as his invention in the specifications of his English patent. These specifications also described another method of obviating the difficulty. This consisted of the following contrivance: A lateral branch or escape-passage was provided for a portion of the steam after it passed the valve, the valve was made to project over the edges of the exit-passage for the steam, and the projecting edges of the valve were curved slightly downward, so that the steam, on issuing between the valve and its seat, would impinge against the curved projecting portion of the valve, and a portion of it would be directed downward into the annular chamber which surrounded the central passage for the steam, which chamber communicated with the exit-pipe, while the other portion of the steam ascended past the edges of the valve. "By this means," he states, "I am enabled to avail myself of the recoil action of the steam against the valve, for the purpose of facilitating the further lifting of such valve when once opened; *but I wish it to be understood that I lay no claim to such recoil action, nor to the extension of the valve laterally beyond its seat.*" And in the claims, at the close of his specifications, he made no claim for any such extension of the valve, or any device for effecting any recoil action of the steam. In fact, Charles Beyer, in his English patent, dated Oct. 21, 1863, before the date of Naylor's patent, had fully described a valve made to project over the edges of the exit-passage for the steam, and the projecting edges of the valve were curved slightly downward, so that the steam, on issuing between the valve and its seat, would impinge against the curved projecting portion of the valve. The description is as follows: "This invention consists in forming a flange round the valve, commencing at the outer edge of the valve-facing, which flange is undercut and concave in shape, and the concave side is toward the seating of the valve, which has also a flange upon it, commencing at the outer edge of the valve-seating, but the upper surface of the flange is convex, and corresponds nearly to the concave surface of the flange upon the valve. There is a slight space between the concave and convex surfaces of the two flanges, which diminishes toward the outer edge of the flanges. When the steam begins to escape from between the surfaces of the valve, it gets between the concave and convex

surfaces of the two flanges, and its force thus acts upon a larger area, and reacts upon the concave surface of the valve, and causes it to open to a greater extent than the ordinary safety-valve."

It will be seen from this description that the Beyers safety-valve had "an overhanging downward-curved lip or periphery and an annular recess," into which the steam will be directed downward on issuing between the valve and its seat, while a portion of the steam will also impinge against the curved projecting portion of the valve.

Without adverting to the patents of Henry Waterman and other devices older than Naylor's, we have seen that Naylor could not, with propriety, claim to have been the inventor of the combination, in a spring safety-valve, of every form of projecting overhanging downward-curved lip or periphery, with an annular recess surrounding the valve-seat, into which a portion of the steam is directed as it issues between the valve and its seat.

Neither of the attempts to overcome the objections to the spring safety-valve in common use appears to have been so far successful as to have introduced either of the inventions into common or general use.

Letters-patent of the United States, issued Sept. 25, 1866, to George W. Richardson, of Troy, N. Y., for an improvement in safety-valves. The purpose of a safety-valve being to open and relieve the boiler, and then to close again at a pressure as near as possible to that at which the valve opened, Richardson accomplished it so far as to invent a valve which would open at the given pressure to which the valve was adjusted, and relieve the boiler, and then close again when the pressure was reduced about two and one-half pounds to the inch when the pressure in the generator was one hundred pounds to the inch. This practically answered the required conditions for a useful spring safety-valve. It went very soon into general use. The complainant, who is a manufacturer in this country of safety-valves, then, as appears from the evidence in the record, endeavored to find something to anticipate the invention of Richardson. Finding in the Patent Office a model of the Naylor valve, with an overhanging lip and an annular chamber surrounding the valve-seat, he goes to England and purchases the right to the Naylor inven-

tion ; and although Naylor himself had disclaimed the recoil action of the steam consequent on the passage of a portion of the steam downward into the annular chamber surrounding the central chamber, while the other portion of the steam ascends past the edges of the valve, and had also disclaimed the extension of the valve laterally beyond its seat, the complainant caused the patent to be reissued to him, as assignee of Naylor, with the following claims, which were not in the original patent :

“2. The safety-valve, C, with its overhanging downward-curved lip or periphery and annular recess, D, substantially as herein shown and described, and for the purpose set forth.

“3. The annular recess, D, surrounding the valve-seat, substantially as herein set forth.

“4. The combination of the valve, C, and the annular recess, as herein set forth, and for the purpose described.”

From the history of the art as previously given, and from a comparison of the original with the reissued Naylor patent, as well as from the language of the claims in the reissued patent, it is manifest that if these claims can be sustained, it can only be for the combination of the described valve with its overhanging downward-curved lip, with precisely such an annular recess surrounding the central chamber as he describes. Naylor did not invent the overhanging downward-curved lip or periphery, nor was he the first to use an annular chamber surrounding the valve-seat into which a portion of the steam is deflected as it issues between the valve and its seat. His claims must, therefore, be limited to the combination of the other elements, with precisely such an annular recess as he has described, and operating in the described manner so far as such recess, separately or in combination, differed in construction and operation (if it did materially differ in those respects) from those which had preceded it. The claims cannot be made to cover a safety-valve like the Richardson valve, which, in its construction and mode of operation, is substantially different from the valve described in the Naylor patent, simply because the Richardson valve, in common with the Naylor valve, has the overhanging downward-curved lip or periphery, and an annular recess surrounding the valve-seat, into which a portion of the steam issuing from between the valve and its seat is deflected. The differences between the Richardson and Naylor valves in construction are apparent upon an inspec-

tion of the drawings in the respective patents. The difference in the mode of operation is most clearly proved by the testimony of the experts in the case. In the Naylor valve it appears that it was the intention of the inventor to use the impact of the issuing steam upon the concave lip of the valve to assist in lifting it, and only this, except so far as it was aided by the diminution of atmospheric pressure on the top of the valve, consequent upon the issuing of a portion of the steam in an upward direction around the periphery of the valve, the annular chamber into which the steam is discharged on leaving the valve serving no other purpose than that of a conduit for the steam when the valve is constructed in accordance with the drawings in the original patent. In the Richardson valve, when the valve opens, the steam expands and flows into the annular space around the ground joint. Its free escape is prevented by a stricture or narrow space formed by the outer edge of the lip and the valve-seat. Thus the steam escaping from the valve is made to act by its expansive force upon an additional area outside of the valve proper to assist in raising the valve, this stricture being enlarged as the valve is considerably lifted from its seat, and varying in size as the quantity varies of the issuing steam. There would be no such variable stricture in the Naylor valve, and, in fact, there would be no stricture in it without substituting a diaphragm for some equivalent device for the radial bars which, in the drawings in the original patent, connected the inner and outer cylinders; and if Naylor's annular chamber had been intended to be closed, or partially closed, at the bottom by substituting a diaphragm for the radial bars shown in the drawing, or by substituting a small outlet, not shown, for the large one shown in the drawing, for the exit of the steam from the annular cylindrical chamber, then his device of a bent lever would not only have been useless, but injurious, in its operation; and this last device is the only one which he claimed in his original patent. The Richardson valve is the one used by the defendant; there is added an extension-cup and upward-curved flange to give an upward direction to the issuing steam and keep it away from the cab of the engine. This is an old device, and does not affect the principles or mode of operation of the valve proper.

There is a substantial difference between the Richardson valve and the valve in the specifications and drawings of the Naylor

patent, not merely in degree. The increased practical utility of the Richardson valve results from a substantial difference in construction and mode of operation.

Bill dismissed.

James B. Robb, for complainant.

J. G. Abbott, Benjamin Dean, for defendant.

MAY, 1874.

BOSTON ELASTIC FABRICS COMPANY v. EAST HAMPTON RUBBER
THREAD COMPANY.

Where the invention described and claimed in a patent is of a machine of specified construction, it is anticipated by a prior machine of substantially the same construction; although a new, and perhaps patentable, use of the machine is suggested in the specification of the patent.

SHEPLEY, J. Letters-patent of the United States, dated Jan. 23, 1863, were issued to Liveras Hull for an "improved machine for cutting caoutchouc." On the tenth day of March, in the same year, Hull assigned to the complainant all his title and interest under said letters-patent. The bill in this case charges the defendant corporation with infringement, in that it has "unlawfully made, used, and sold said patented invention, and manufactured and sold large quantities of rubber thread cut by machines substantially the same as described in said letters-patent."

The answer of the defendant admits "that they have used machines for cutting threads which they are advised are covered by the claim of said patent, and they insist and submit that they have a just and lawful right so to do."

The defendant's answer denies that Hull was the first and original inventor of the invention or thing patented by said letters-patent, and alleges prior knowledge and use by Robert C. Helm and others named, at New Brunswick, N. J.; by the Nashawannuck Company and others named, at East Hampton, Mass.; by Henry G. Hubbard and others at Middletown, Conn.; and also that, prior to the date of Hull's invention, it was described by Thomas Hancock in a book printed in London in 1857, entitled "A Personal Narrative of the Origin and Progress of the Caoutchouc or India-rubber Manufacture in England."

The patent in this case is for a machine, not for a process. If it were possible to give to this patent a construction which would secure to the patentee the benefit of that invention which is suggested perhaps, though not distinctly stated or claimed in the patent itself, but is relied upon in the argument as the invention of Hull (namely, his process of cutting a rubber sheet into threads, whereby a series of parallel threads are cut from a single sheet by a single cut of a single knife), the court would feel disposed to do so; but the language of the patent itself is so clear, that it seems to us necessarily to exclude such a construction.

The patent is for "an improved machine for cutting caoutchouc;" the claim is as follows:

"I claim my improved caoutchouc cutting-machine, having its several parts constructed and arranged in manner and so as to operate substantially as described, such machine not only having a single drum or cylinder to support, and a revolving knife to cut, a sheet of caoutchouc, as explained, but having machinery for traversing the rotary knife, with reference to the drum, and also having machinery for moving such knife toward and away from the drum, as specified."

It is true the patentee says that his invention "has reference to the separating of a sheet of caoutchouc into narrow filaments or strips," and this language, taken alone, might favor the construction contended for, — that the invention claimed was an art or process; — but the language immediately following is: "And I do declare the same to be fully described in the following specification, and represented in the accompanying drawings, making part thereof of the said drawings."

The drawings represent and the specification describes a machine. No question is made in this case that the Middletown machine, represented by "Exhibit Middletown," was known and used long prior to Hull's invention. Complainant does not dispute that it contains all the elements of the Hull machine, except the drum. He admits the Middletown machine has a drum, but insists that there is a material and substantial difference between the drum in the Middletown and the drum in the Hull machine. The patentee does not describe or confine himself in his specification to a drum of any particular size. The complainant undertakes to prove by its witnesses that rubber thread could not be practically cut on the drum in the Middletown machine; but this

is met and fully overcome by the testimony on that point introduced by the defendant, and by the production in court, as an exhibit in the case, of a series of rubber threads, cut by a single cut on a machine having a drum no larger than those used prior to the invention of Hull. There can be no doubt that if the Middletown machine were not older than the Hull machine, it would be a clear infringement.

Before Hull cut a series of threads by a single cut of a single knife, it does not appear to have been done by any one on the machines then in existence.

The mode of cutting on the Middletown and other machines, called sometimes bottle-machines, was to construct a bottle or a tube of rubber upon a cylindrical drum, or a drum which was a *frustum* of a cone; the revolving circular knife cut a strip of rubber from this tube or bottle; the knife, as it traversed along the drum, cutting one continuous strip, which was afterward, in another machine, cut into narrower filaments or strips. But if a thin sheet of rubber, several times longer than the circumference of the drum, be wound about the drum, "in a spiral or watch-mainspring curve," and the knife or rotary cutter be forced into the strip, so as to cut at once through all the layers of the caoutchouc, although the path cut by the rotary cutter will be a helix extending around the main drum from end to end, it will be found, on removal of the piece of caoutchouc from the drum, that such piece of caoutchouc will be cut lengthwise from end to end of it in a series of parallel strips. This Hull discovered. He invented no new machine, but he operated an old machine in a different manner, and produced a new and different result. That he did not make a patentable invention we are not disposed to decide; but the discovery of a new mode of operating an old machine to produce a new result does not give him the right to a monopoly of the old machine. Broadly as courts are disposed to construe patents for the sake of upholding a meritorious invention, yet when it is too clear to admit of a doubt that the patent is for a machine, the court cannot change it into a patent for an art.

Upon any construction we are able to give to this patent, the defendant is not guilty of infringement, and the bill must be dismissed.

Bill dismissed.

J. E. Maynard, for complainant.

George Gifford, Hillard, Hyde & Dickinson, for defendant.

MAY, 1874.

METROPOLITAN RAILROAD COMPANY v. CHARLES W. SLACK.

Sect. 119 of the act of June 30, 1864 (13 Stats. 283), as amended by the act of July 13, 1866 (14 Stats. 138), providing that income taxes "shall be levied on the first day of May, and be due and payable on or before the thirtieth day of June, in each year, until and including the year 1870, and no longer," does not apply to an internal-revenue tax on the dividends and earnings of a railway corporation for the first six months of the year 1870, which is not an income tax, but an excise.

Under sect. 15 of the act of July 14, 1870 (16 Stats. 260), providing for levy and collection of a tax "for and during the year 1871," on interest paid by corporations, "and on the amount of dividends of earnings hereafter declared by them," the dividends and earnings of a railway corporation for the last six months of the year 1870 are not taxable.

ASSUMPSIT to recover the amount of certain taxes, paid under protest by the plaintiff, a street-railway corporation, to the defendant, a collector of internal revenue. The action was originally brought in the State court, and was removed by the defendant to this court by *certiorari*. The case was heard on an agreed statement of facts, the material parts of which were as follows:

On the 23d of June, 1870, the directors of the plaintiff corporation declared a dividend of its savings and income for the first six months of the year 1870, payable July 1, 1870. The savings and income for the first six months of 1870 not being sufficient to pay the dividend, a portion of the surplus earnings of the previous year (upon which tax had been paid) was added to the earnings of the first half of 1870, to make up the amount of the dividend. A tax of five per cent was assessed upon the dividend, from the amount of which tax was deducted the tax paid by the corporation on the surplus earnings of 1869, carried forward as above; the balance was paid by the plaintiff under protest.

On the 22d of December, 1870, the corporation declared a dividend of its earnings and income for the last six months of 1870, payable Dec. 30, 1871. A tax of two and a half per cent was assessed on this last dividend, and a like tax on the surplus earnings of the corporation over and above the dividend for said six months; which tax was paid by the plaintiff under protest.

Jewell, Gaston & Field, for plaintiff.

George P. Sanger, for defendant.

LOWELL, J. The reasoning of the Supreme Court in *Barnes v. Railroads*, 17 Wall. 294, seems to me to govern the first part of this case, relating to the tax assessed upon the plaintiff for the dividend declared in June, 1870.

In those cases it was laid down that the tax upon the earnings of such companies as the plaintiff is an excise imposed upon them directly, and not a part of the general income tax of their shareholders. It seems to follow, fairly, that the limitation of sect. 119 of the act of 1864, as amended by the act of 1866 (14 Stats. 138), which brought the income tax to a close with the end of the year 1869 (assessable in May and payable in June, 1870), does not apply to this excise. This part of the case I decide for the defendant.

The question concerning the tax on the earnings of the second half of the year 1870 is one of difficulty, because sect. 15 of the act of 14th July, 1870 (16 Stats. 260), appears to be self-contradictory. It provides that there shall be levied and collected "for and during the year 1871" a tax of two and a half per cent on the amount of all interest or coupons paid, &c., and on the amount of all dividends of earnings, income, or gains "hereafter declared" by any bank, &c. I have taken pains to examine the records of Congress, and find that the words "for and during the year 1871" were inserted upon the report of a committee of conference, and without a word of debate in either house.

As the section stood before those words were added, the meaning was, that, instead of the former tax of five per cent, there should be levied a lighter tax, but that this should not be retroactive so as to relieve dividends which had been or should be declared before the passage of the act, and thus become liable to the five per cent. When the words "for and during the year 1871" were added, the "hereafter declared" became almost meaningless, or else repugnant; and, if the latter, the question is, which is to control?

The commissioners of internal revenue decided, first, that dividends for the last half of 1870 were liable to be assessed (12 Int. Rev. Rec. 93, 117); then that they were not (13 id. 17); and then again that they were (14 id. 57); and it is not surprising that there should be this conflict of opinion.

I cannot find any way of fully reconciling the apparent inconsistency. It is not, in my opinion, possible so to change the

words "for and during the year 1871" as to hold that they authorize an assessment for 1870. I think "during" is intended to express the idea that after 1871 there shall be no further excise of this character; and not, as was argued by the defendant, that the levy must actually be made in that year of all the profits of that year, and also of those of the last half of 1870.

In my opinion, a levy made in 1872, for the earnings of 1871, would be valid, and was intended to be made, if necessary; in other words, the tax was upon the whole profits of 1871, and could not be evaded by declaring out of those profits a dividend payable in 1872. And this I understand to be the decision under the act of 1866, in *Barnes v. Railroads*, 17 Wall. 294.

If this be so, what warrant have we for saying that a tax to be levied for the year 1871 means for eighteen months? If the latter half of 1871 is included in one year, how can the latter half of 1870 be included in the same year? There is no reason for any such provision; and it is contradicted by sect. 16, which requires a return to be made to the assessor within thirty days after the dividend is declared. The construction contended for by the defendant requires us to hold that a dividend payable in August is to be returned in September, though it is not taxable until the following January.

That Congress understood full well the meaning of the words used in the opening clause of sect. 15, is shown by an amendment inserted, if I mistake not, at the same time and in the same way in sect. 6; namely, that the income tax should be levied and collected for the years 1870 and 1871, and no longer. The "during" of sect. 15 corresponds, as I have said, to the "no longer" of sect. 6; and the unmistakable meaning of the early part of sect. 15 is, that the tax on the dividends of railroad companies shall be levied for the year 1871, and no longer.

So far I do not find difficulty: but this brings the two phrases into direct repugnancy; because "hereafter declared" seems to mean at any time after the passage of the act.

Upon the whole, I think the governing clause of this section is the opening clause; because, if that is rejected, there is no power left to levy any tax. It is equally improper to reject any part of that clause, because then there is no limitation of years at all. That part of the section must, therefore, be entirely changed by interpolating the words "for the remainder of the year 1870," or

something equivalent; or else it is plain that Congress has failed to authorize a levy for the last months of 1870, whatever it may have said about *dividends* in some other clause.

Now, I know of no authority which will authorize such an interpolation. It seems to me much more consistent with sound construction to reject the words "hereafter declared," or to make them yield a part of their meaning, and remain as surplusage, or nearly so; because all the dividends earned in 1871 would be declared after the passage of the act, while all the dividends thereafter declared can by no means be assessed for the year 1871. Indeed, to give to those words the force contended for, is to change and enlarge their sense into nearly the opposite of their original meaning. When written, they meant that the reduction of the tax should not be retrospective. As now proposed, they would mean that it shall not be too prospective. I cannot believe that it is permissible to supply a meaning for an act of Congress upon any theory of what they probably might be expected to intend, which would so twist this section as to read that on all dividends hereafter declared until the end of 1871, including all earned in 1871, there should be levied the tax. I come back, therefore, to the point which is in reality the gist of the case, — that it is not the declaration of a dividend, but the earning of profits, that is the material thing, and that it is upon the profits earned in 1871 that the tax is imposed, and on none other. I have found my judgment enlightened and my opinion fortified by the decision and reasoning of McKennan, J., in *Philadelphia & Reading R. R. Co. v. Kinney*, 18 Int. Rev. Rec. 92, which sustains this construction of the statute.

*Judgment for plaintiff for the amount of the second sum mentioned in the agreed facts, with interest at six per cent from July 31, 1871.**

[* Upon a similar case involving the interpretation of sect. 15 of the act of July 14, 1870, a majority of the United States Supreme Court, stating that "the ambiguous terms of the statute prevent the possibility of a satisfactory solution of the question presented," adopted "the construction practically placed upon it by the administrative department of the government;" and decided in favor of the tax. *Blake v. Nat. Banks*, 23 Wall. 221.]

NEW HAMPSHIRE DISTRICT.

MAY, 1874.NOAH WOODS v. THE JACKSON IRON MANUFACTURING
COMPANY.

The provisions of a statute, so far as they are inconsistent with those of a subsequent statute relating to the same subject-matter, are by implication, if not expressly, repealed by the later statute.

Under the resolve of the legislature of New Hampshire, approved June 22, 1831, conveyances of State lands by a land commissioner may be recorded in the office of the Secretary of State at any time, and take effect only on being so recorded.

SHEPLEY, J. This is a real action, brought for the recovery of a tract of land containing eleven hundred acres, situate in Bartlett, in the county of Carroll, and State of New Hampshire. A stipulation is filed that the case shall be heard and tried by the court without the intervention of a jury, saving to either party the right of exceptions, writ of error, or appeal, according to law.

Both parties claim title under grant from the State of New Hampshire. It is admitted that the title was in the State of New Hampshire prior to July 2, 1835. The following act of the legislature of New Hampshire was approved June 25, 1830 :

“An Act providing for the recording of deeds of State lands in the office of the Secretary of State.

“SECT. 1. Be it enacted by the Senate and House of Representatives in general court convened, that all deeds of land belonging to the State, which may hereafter be executed and delivered, by any officer or agent of the State authorized to make such conveyance, shall be recorded in the records of the State by the secretary; and no deed of conveyance, or lease of any lands, or of title or claim to any lands, in this State, shall be of any force or effect for the conveyance of the same, or for the release of any title or claim of the State, unless the

same shall have been recorded, as aforesaid, within one year from the date of the same."

The following resolve of the legislature was approved June 22, 1831: Chap. LI. "*Resolved*, by the Senate and House of Representatives in general court convened, that his Excellency the Governor, by and with advice and consent of the council, be, and he hereby is, authorized and empowered to appoint some suitable person or persons, not exceeding two, as land commissioners, who shall be sworn to the faithful performance of the duties of their trust, and to continue in office during the pleasure of the executive for the time being, whose duty it shall be to advertise and expose to sale such public lands as he or they may think proper, for the interest of the State; and, upon application made to any such commissioner by any person or persons for the purchase of any lands belonging to this State lying south of the forty-fifth degree of north latitude, to sell and convey to such person or persons any such lands for such consideration as to such commissioner or commissioners the interest of the State may seem to require; and to execute deeds thereof, which deeds, being first recorded in the office of the Secretary of State, shall be effectual for conveying all the right and title of this State to such land, saving the right of jurisdiction: *Provided*, that all the expenses of surveying and conveying any such lands shall be paid by the person or persons to whom such lands shall be conveyed; and said commissioner or commissioners shall receive from the amount of all sums of money arising from such sales, and which sums he or they shall pay to the treasurer of this State, the amount of six per cent in full compensation for his or their services. *And be it further resolved*, that it shall be the duty of each and every such commissioner so appointed to deposit all moneys by him received for such lands with the treasurer of this State as soon as may be after receiving the same, and shall annually in the month of June make report to the governor of this State of all lands conveyed and sold by him aforesaid, including the quantity and value thereof, where the same lies, and such other information as he may deem expedient."

At a meeting of the governor and council on the first day of July, 1831, James Willey, of Conway, was appointed land commissioner, and he was duly commissioned and qualified. On the third day of July, 1835, in consideration of \$300 paid by

Daniel Eastman, of Conway, "James Willey, of Conway, in the county of Strafford, and State of New Hampshire, land commissioner, remised, released, and forever quitclaimed unto said Daniel Eastman, and his heirs and assigns forever, all the right, title, claim, and interest which said State now has in and unto the following described tract of public land, viz." (Here followed a description of the demanded premises by metes and bounds.) After the usual *habendum* clause, and a special covenant of warranty against "persons claiming by, from, or under me in my official capacity as land commissioner aforesaid," the deed concludes as follows: "In witness whereof I have hereunto set my hand and seal this third day of July, in the year of our Lord one thousand eight hundred and thirty-five.

"JAMES WILLEY, [SEAL] *Land Commissioner.*"

The deed was duly witnessed and acknowledged. The consideration was paid by the grantee to Willey, and by him paid over to the State of New Hampshire. This deed was not recorded in the office of the Secretary of State for New Hampshire until June 28, 1837, nearly two years from and after date of the same. It was recorded in the Registry of Deeds for Coos County on the eighth day of July, 1835.

By sundry mesne conveyances through Jeremiah Eastman to Trickey and Meserve, and from them to one Odiorne, and from him to the Jackson Iron Manufacturing Company, whatever title Daniel Eastman had in the premises passed to the defendant on the twenty-sixth day of June, 1837.

The demanded premises have been taxed in the town of Bartlett to the grantees in the deeds under Daniel Eastman from 1636 to the present time, and from 1844 to the present time to the Jackson Manufacturing Company; and the defendant proved the payment of these taxes.

The tract is a mountain: some portion of it on the south side, where cattle can pasture; the rest is wild-land. Meserve and Trickey took a bond of the land Oct. 5, 1835, from Daniel Eastman, made a partial survey, and ascertained that iron ore was on the tract, and took out about one hundred pounds of the ore, which they took to Franconia and had tested. They then took their deeds of Eastman, and in March, 1836, surveyed the tract with compass and chain, and erected monuments. In May, 1837, Dr. Jackson went on to the tract with Odiorne, one of the

grantees, and explored it. In June, 1838, Meserve and Odiorne and others employed twelve men on the tract in uncovering another and different vein of the ore, and took out about a ton of the ore, which they sent to Dover to be tested. In 1842 Meserve and others went on to the tract with a Mr. Lang, of Boston, and Sanderson, of Sheffield, England. In the succeeding autumn they took out a ton of the ore, which was forwarded to Sheffield, England. In 1844 Mr. Parrott, of Boston, an engineer in the employment of the defendant corporation, surveyed a road leading through the woods up the side of the mountain about two miles, and extending about one hundred rods on to this tract, which road was built about that time. Mr. Meserve was the agent for the defendant corporation, and went on the tract every year after the conveyance to the Eastmans three or four times a year, sometimes oftener. In 1847 he went on with Mr. Coe, who went on to examine as agent of the defendant; also in 1848, with Pingree and Cowes, who were interested in the corporation. Ore was also taken from the tract in 1870 by him.

There has never been any adverse possession or exercise of any acts of ownership on the tract by any other persons than those claiming under the title under which defendant claims.

Plaintiff read from the public laws of the State of New Hampshire: "Chapter XLII., Joint Resolution in Relation to the Public Lands.

"SECT. 1. Governor authorized to sell lands: proceeds to be added to literary fund.

"*Resolved*, by the Senate and House of Representatives in general court convened:

"SECT. 1. That his Excellency the Governor be requested to investigate the condition of *all the public lands belonging to the State*, and that he is hereby authorized and empowered, with the advice of the council, to sell and dispose of the same, together or in parcels, as may be by him deemed most advantageous to the State; the proceeds of such sale or sales to be placed in the State treasury, and constitute a part of the literary fund, to be divided among the several cities and towns, and by them applied to the maintenance of common schools, or to other purposes of education as now provided by law, and that the treasurer be empowered to make and execute conveyances thereof, in accordance with the contracts of sale entered into by the governor." (Approved June 28, 1867.)

Plaintiff also introduced in evidence the records of a meeting of the governor and council of the State of New Hampshire, held Oct. 15, 1867, in which record was the following entry:

“Sold all the public lands in Grafton, Carroll, and Coos Counties, for the sum of \$25,000, to Aurin M. Chase, of Whitefield.”

Peter Sanborn was the treasurer of the State of New Hampshire for the year 1867, duly elected, qualified, and sworn. The plaintiff then offered in evidence, subject to the objection duly made by defendant, a deed acknowledged Oct. 21, 1867, from Peter Sanborn, treasurer, to Noah Woods, the plaintiff, and William H. Smith, quitclaiming and releasing to Woods and Smith, their heirs and assigns forever, “*all and singular the lands belonging to the State of New Hampshire, or in which the said State of New Hampshire has or might have any right, title, interest, or claim in any way whatever, situate and lying within the limits of the counties of Grafton, Carroll, and Coos, in said State of New Hampshire, however located and bounded, estimated one hundred thousand acres, more or less, meaning and intending hereby to assign and convey to said Woods and Smith, their heirs and assigns forever, all and singular the land in said counties of Grafton, Carroll, and Coos, to which the said State of New Hampshire has or might have any claim or title in any way whatever, excepting and reserving from said grant the arsenal lot in Lancaster, in the county of Coos, and any gun-house lot owned by the State in said counties of Grafton, Carroll, and Coos aforesaid.*”

This deed was duly recorded in the office of the Secretary of State Nov. 21, 1867. It appeared in evidence that this deed was made by direction of the governor, and at the request of Aurin M. Chase, to Woods and Smith; and that the sum of \$25,000 was paid to the governor, and by him to the Treasurer of State, and by him carried to the credit of the literary fund. The sum of \$25,000 was the consideration of this and other conveyances, made at the same time to Aurin M. Chase, and to others under his direction and by his request.

By subsequent conveyances, Noah Woods obtained the interest of William H. Smith in the demanded premises.

The principal objection made by the plaintiff to the title of the tenant is, that the deed of Willey, the land commissioner, to Eastman, was not recorded in the records of the State, by the Secretary of State, within one year from the date of the deed, in

accordance with the provisions of the act of June 25, 1830, and therefore the plaintiff contends that the deed was for this reason absolutely null and void, and without force and effect. The act of June 22, 1831, under which Willey was appointed land commissioner, and by authority of which he sold the land and made the conveyance to Eastman, authorized him "to execute deeds thereof, which deeds, being first recorded in the office of the Secretary of State, shall be effectual for conveying all the right and title of this State to such land, saving the right of jurisdiction." This deed was recorded, as we have seen, within two years of its date, and more than thirty years before the date of the deed under which plaintiff claims; and the State of New Hampshire retained in its treasury during all this time the consideration paid for the land, and the grantees exercised during all that period a possession as open, notorious, and exclusive, as is ordinarily exercised over lands of that description, in what was then a wild and uninhabited mountainous region. This possession, occupancy, and claim of title was well known to Aurin M. Chase, as he himself states; and from the evidence in the case there can be no reasonable doubt that the parties who took the deeds as his appointees had full notice of all the facts. Yet it is claimed by the plaintiff that the condition in the act of 1830 was a condition precedent; and, not having been complied with, the deed was null and void, and no entry was necessary by the State to reinvest the title. The cases of *Greenleaf's Lessee v. Birth*, 6 Pet. 302, *Robinson v. Minor*, 10 How. 641, and *Easton v. Salisbury*, 21 How. 426, would seem to support this view, if the act of 1830 is to be considered as applicable to the case. To the same effect is the opinion of the court in the learned opinion in *Hill v. Dyer*, 3 Greenl. 441, and of the Supreme Court of New Hampshire in *Stone v. Ashley*, 13 N. H. 38. But the true answer to this position is, that the act of 1830 did not apply to this conveyance. The act of 1831 was a distinct and independent piece of legislation. It furnished of itself a complete mode by which the conveyances of State lands sold under its provisions could be made. The provisions of that act are inconsistent with and repugnant to the act of 1830, and, so far as inconsistent with and repugnant to those provisions of the act of 1830, it repeals them. The deed to Willey was executed, delivered, and recorded in strict compliance with the act of 1831.

The grantee, in a deed executed under the provisions of the act of 1831, was notified, by the terms of the act under which he claimed title, that his deed was effectual only "when first recorded in the office of the Secretary of State." Until that record was made, he had no title and no seisin. When recorded, the deed became operative. The plaintiff contends that the effect of the statute is as if it read, "when first recorded as provided in the act of June 25, 1830." It is not enough for his purpose to read, "when first recorded according to law," for the general law made deeds operative between the parties and persons having actual notice of them without record, and as to other parties after record. The rule in the act of 1830 was a special one, applicable to conveyances from the State alone. It required them to be recorded "in the records of the State by the secretary," and allowed one year's time from the date of the deed within which to make the record. The grantee under that statute paid his consideration, and took a valid, effectual, and operative deed, not requiring for its validity to "be first recorded," but one which ceased to be "of any force or effect, for the release of any title or claim of the State, unless the same shall have been recorded as aforesaid within one year from the date of the same." The difference in the phraseology used in the two acts with reference to the record shows also the intention of the legislature to make the provision in the act of 1831 complete in itself, without reference to the act of 1830.

The act of 1830 required the conveyance to "be recorded in the records of the State by the secretary." The act of 1831 provided, "which deeds, being first recorded in the office of the Secretary of State, shall be effectual for conveying all the right and title of the State," &c. It is well settled, that where the subject of a former statute is embraced in the provisions of a later statute, if the later statute appears to be intended to prescribe the only rules which should govern that subject, the particulars of the old law in which they differ will be regarded as repealed by implication; but the old law is repealed by implication only *pro tanto* to the extent of the repugnancy. *Dexter & Limerick Plank-road Co. v. Allen*, 16 Barb. 18; *Goddard v. Boston*, 20 Pick. 410; *Daviess v. Fairbairn*, 3 How. 636; *State v. Wilson*, 43 N. H. 419; *United States v. Tynen*, 11 Wall. 92; *New London R. R. Co. v. Boston & Albany R. R. Co.*, 102

Mass. 389. The condition in the act of 1831 was fully complied with when the deed to Eastman was recorded, June 28, 1837. After that time the deed was "effectual for conveying all the right and title of the State." The view we have taken of the construction of the act of 1831 establishes the title of Eastman and the tenants claiming under him, and renders it unnecessary to decide whether the act of June 28, 1867, which authorized the governor to sell and dispose of the public lands belonging to the State, would authorize the sale of lands which the State had once conveyed by deed, and for which the State had received full consideration, and where the seisin of the tenants for thirty years and more had been under a delivery of seisin by the agent of the State, not a wrongful intrusion on the public lands.

The defendant did not disseise the plaintiff, and there must be

Judgment for defendant, with costs.

Gilman Marston, A. A. Strout, R. D. Smith, for plaintiff.

M. W. Tappan, William Heywood, Henry Heywood, for defendant.

MASSACHUSETTS DISTRICT.

SEPTEMBER, 1874.

SYDNEY DILLON v. GEORGE M. BARNARD *et al.*

- A demurrer to a bill in equity admits only facts well pleaded in the bill; not averments of conclusions of law, nor as to construction of documents or parol agreements inconsistent with written agreements alleged in the bill.
- A provision in a mortgage of the property and franchises of a railroad corporation to trustees, made to secure certain mortgage bonds to be issued thereunder for the purpose of providing for and retiring the then existing mortgage debt and prior liens on the railroad, and completing and equipping the road; that the expenditure of all sums realized from the sale of the bonds "shall be made with the approval of at least one of the trustees, whose assent in writing shall be necessary to all contracts made by the" corporation "before the same shall be a charge upon any of the sums received from said sales," does not create a charge upon the proceeds of the sales of the mortgage bonds, in favor of one who afterwards built a portion of the road under a written contract with the corporation, which contract did not itself impose such charge.

*BILL in equity by a creditor of the Boston, Hartford, and Erie Railroad Company, against the assignees in bankruptcy of that company, and the trustees under a mortgage of the property and franchises of the corporation, made to secure certain mortgage bonds issued for the purpose of paying the existing mortgage debt of the railroad and discharging prior liens thereon. A large amount of money was due the complainant from the company for the construction of a portion of its road under a written contract, and his claim was, in substance, that, according to the terms of the mortgage and his contract with the company, assented to by the trustees under the mortgage, a charge was created in his favor upon the proceeds of the sales of the bonds issued under the mortgage; which proceeds had not been applied to payment of his debt. The defendants demurred to the bill. The material parts of the mortgage and the complainant's contract with the company, and the facts, are stated in the opinion.

S. Bartlett, J. J. Storrow, for complainant.

C. S. Bradley, W. G. Russell, Lothrop & Bishop, for defendants.

SHEPLEY, J. This case is presented on a demurrer to the bill in equity. The material averments of fact which the demurrer admits are as follows:

That the Boston, Hartford, and Erie Railroad Company, a corporation duly existing under the laws of Massachusetts, Rhode Island, Connecticut, and New York, was, prior to the first day of March, 1866, authorized to construct, maintain, and operate a railroad in each of said States, and owned the railroad and franchises described in the bill; that, for the purpose of providing for and retiring all the existing mortgage debt and prior liens upon the line of the railroad of said corporation, and for the purpose of completing and equipping its railroad, then only partly constructed, the corporation, by a mortgage deed or indenture in trust, on the nineteenth day of March, 1866, conveyed to Robert H. Berdell and others, trustees, all its property, then owned and after to be acquired, in trust, upon the terms and for the purposes set forth in the mortgage deed, which indenture in trust or mortgage was ratified and validated by the legislation of the several States of Massachusetts, Rhode Island, Connecticut, and New York.

The bill alleges that, among other things, it was provided in the indenture that certain bonds or evidences of debt, to an amount named in said indenture, should be issued, sold, and dis-

posed of, as the means and for the purpose of raising money to complete and equip the road ; that such bonds, attested by the trustees, should be secured by said indenture, and become a lien upon the property therein described and conveyed, and also upon all the property afterwards purchased, and on the increase of value in the railroad given to it by the expenditure of the money raised by the sale of the bonds. It is also alleged that it was agreed by said indenture, and was a part of the trusts and terms under which the trustees held and were to hold the trust estate, that the expenditure of all sums of money realized from the sale of the bonds issued under the mortgage should be made with the approval of at least one of the trustees, whose assent in writing should be necessary to all contracts made by the railroad corporation for the purposes aforesaid, before the same should be a charge upon any of the sums received from such sales ; and also alleges " that such contracts, to be assented to, should and would be a charge upon such sums so received and realized by or from such sales." This last averment must be understood as the allegation of what complainant claims to be the legal inference resulting from the terms of the contract, as no such provision is anywhere expressed in terms in the mortgage, which is made part of the bill and the record in the case.

Afterwards, on the 24th of October, 1867, the complainant, Dillon, entered into a contract with the corporation, in writing, which was approved and assented to in writing by the trustees, for the construction of a certain portion of said road. It is alleged to have been the purpose, object, and intention of the corporation, the trustees, and the complainant, that the sums becoming due under the construction contract should be a charge on the sums to be received from sales of the bonds ; that the complainant performed work and expended large sums of money under the contract, relying for his compensation on the sums of money to be derived from sales of bonds, and upon a lien thereon, by virtue of the premises, and that his reliance thereon was well known to the corporation and the trustees ; that his work under the contract was performed and accepted, and approved in accordance with the stipulations in the contract ; and that a balance is due to him of \$1,030,693.29, with interest. The bill alleges that, instead of devoting the proceeds of the sale of the bonds to the payment of complainant, the corporation and the

trustees suffered the money to be expended in acquiring new property to be held under the indenture, and in improving and increasing the value of the property already held under it; and that the value of the new property acquired and the increased value of the old property held under the indenture greatly exceeded the amount due to the complainant. The defendants, Hart, Oliphant, and Clark, became legally the successors of Berdell and others, as trustees under the mortgage, and, before the filing of the bill, entered into possession under the mortgage of all the property covered by it, and commenced proceedings to foreclose the same. The corporation is alleged to be insolvent and without means, except the property covered by the mortgage, and in bankruptcy, and the assignees in bankruptcy are made defendants.

In substance, the claim of the complainant is, that the money received from the sales of the Berdell bonds was to be expended in building and equipping the railroad, which was to be held by the trustees in mortgage as security for the bondholders; that a part of the money due to the complainant for building the railroad, which has passed into the possession of the trustees under the mortgage, has been withheld from him and applied to the purchase of other property, which the contract did not contemplate should be bought and conveyed to the trustees, but which has been conveyed to them; and the complainant seeks to follow this property, upon the ground, as he claims, that the contract between him and the corporation, in connection with the terms and conditions of the mortgage, constituted in equity a charge upon the sums received from the sales of the bonds. As far as possible, the averments of matters of legal inference and of conclusions of law, and of the construction of documents, have been omitted in the statement of the allegations in the bill of complaint. The demurrer does not admit the truth of such allegations, but only such facts as are well pleaded. 2 Mitford, Eq. Pl. 227; Story, Eq. Pl. sect. 452; Daniell, Ch. Pl. 560; *Commercial Bank of Manchester v. Buckner*, 20 How. 108; *Ford v. Peering*, 1 Ves. Jr. 72. So far as the allegations in the bill are concerned which set up what are alleged as understandings between the parties, whether they refer to matters contained in the written agreement or indenture, and may be taken to be averments of conclusions of law from the agreements, or whether they refer to parol agreements incompatible with the written

agreements, the questions as to the correctness of the legal conclusions in the one case, or the admissibility of the parol evidence in the other, are open to the defendants on demurrer. *Lea v. Robeson*, 12 Gray, 280.

The mortgage in trust, after reciting the authority given to the directors of the company to make a mortgage upon the whole or any portion of the road, and to issue and dispose of their mortgage bonds to the amount of twenty millions of dollars, payable in New York, excepting such portion as the directors should authorize to be payable in London in sterling currency, declares the purpose of the mortgage to be to secure the "bonds to be issued, for the purpose of providing for and retiring all the existing mortgage debt and prior liens upon the line of the road of the party of the first part, and for the purpose of completing and equipping their road, and of laying down a third rail, so as to form an additional track corresponding with the gauge of the Erie Railway of New York." The form of the bonds to be secured by the mortgage was recited in the mortgage deed. Each bond to be issued contained a statement on its face that it was one of a series of twenty thousand bonds issued for the purpose of paying the existing debt of the company, and of completing and equipping their road. The bond also on its face purported to be secured by a mortgage of the railroad and franchises, furniture, and equipment of the company to the trustees, "which is to be the first and only lien on the property and franchises of the company, when the existing mortgage debt is retired, to meet which a corresponding portion of this issue of bonds is placed in trust in the hands of said trustees."

Again, the indenture itself declares "that the parties of the first part, for the better securing and more sure payment of the sums of money mentioned in the said mortgage bonds, and each of them, according to the tenor thereof," . . . have granted, &c., to the parties of the second part (*i.e.* the trustees) all and singular the railways, &c. (describing the railways and lands of the corporation), with all the personal property, and privileges, franchises, leases, and charters, "also, all the like estate, roads, railroads, and structures, and matters and things pertaining or belonging thereto, that may be hereafter acquired or constructed, or belong to or be controlled by the party of the first part." The indenture then witnesseth that it is made, and the mortgage bonds

and obligations intended to be secured by it are made, executed, and delivered, upon the terms, conditions, and agreements following, the most important of which, and the one upon which the complainant principally relies, is the sixth condition in the indenture, which is: "That the expenditure of all sums of money realized by or from the sale of the bonds issued under this mortgage shall be made with the approval of at least one of the said trustees, whose assent in writing shall be necessary to all contracts made by the party of the first part before the same shall be a charge upon any of the sums received from said sales."

The allegation in the bill is, that it was agreed by the indenture "that such contracts so assented to should and would be a charge upon such sums so received and realized from such sales." There are no such words in the indenture. The allegation, therefore, is one of those allegations of conclusions of law or legal construction of a document which are not admitted by, but are open on, the demurrer. Upon a careful consideration of the whole indenture, its scope, intent, and purpose, and especially of the sixth clause, in which alone the word "charge" is used, it must be determined whether that word was used in its strict and technical sense, or only in a more general sense, in a covenant that the corporation itself would make no expenditures of any money realized from the sale of the bonds, or any contract calling for such expenditure, without the approval of one of the trustees. This sixth clause in the indenture is a covenant on the part of the corporation, party of the first part, with the trustees for the bondholders, party of the second part; a covenant the intent and purpose of which was in aid of what is declared to be the purpose of the indenture itself, "for the better securing and more sure payment of the sums of money mentioned in said mortgage bonds, and each of them, according to its tenor."

Therefore, as the money from the sale of the bonds was to be raised for the purpose of retiring existing mortgage debts and prior liens on the mortgaged property, and for the purpose of completing and equipping the road and laying down a third rail, the corporation provided for the application of a portion of the bonds to the retiring of existing prior incumbrances, by the provision in the indenture for placing the bonds requisite for that purpose in the control of the trustees, thus adding to the security by the extinguishment of prior liens, and requiring the assent of

the trustees to expenditures and contracts for expenditures, that they might have the power so to control them that the proceeds of the bonds should be expended in such a manner as to further the purpose of the mortgage by adding to the security of the bondholders.

The trustees were bound to see that the expenditure would tend to "the better securing and more sure payment of the mortgage debt," and also that it was for one of the purposes declared in the mortgage. There is no allegation that the expenditures approved by the trustees were for purposes other than those declared to be the purposes of the indenture, or that they did not tend to "the better securing and more sure payment of the sums of money mentioned in said mortgage bonds."

It is not charged that the expenditures were for purposes other than those "of completing and equipping the road and laying down a third rail," or that they impaired the security of the bondholders. On the contrary, the averment is that they "caused the same to be expended in acquiring new property to be held under said indenture, and in improving and increasing the value of property already and since always held by said trustees under said indenture." This was the very purpose of requiring the assent of the trustees to the contracts and expenditures, that they should be devoted to acquiring new property and adding new values to the old property held and to be held under the mortgage.

Examining the question, therefore, first in the light given in relation to the duties of the trustees by the terms of the trust indenture itself, their full duty would seem to have been faithfully discharged when they approved only such expenditures or contracts as extinguished prior incumbrances, or otherwise bettered the security of the bondholders, by such "completing and equipping their railroad" as added to the value of the old or resulted in the acquisition of new property to be held under the mortgage. The mortgage itself clearly does not contemplate that if the trustees approved several distinct contracts for the completion of distinct portions of the road, and also others for equipping the road, that either the trustees or the bondholders were to see that the assets were marshalled and the sums realized from the sales of the bonds ratably apportioned among the several contractors, or paid to them in the order in which their contracts were executed, or in the succession in which they became due

and payable ; or that the trustees were to receive or have control of the bonds or the proceeds of the sales of the bonds, so as to be able to make such appropriation, except, perhaps, in the case of the bonds set apart for the retiring of the then existing mortgage debt and debts which constituted a lien on the property. The corporation itself only covenanted that it would so expend the moneys received from the sale of the mortgage bonds as to add to the security. This is the substance of their covenant ; and it is not the subject of complaint in this bill that the mortgage security has been diminished, but that it has been added to and increased, (as complainants claim, wrongfully increased), not, however, to the injury of any parties to the indenture, but of one of the persons who, subsequently to the trust mortgage, contracted with the mortgagor.

The sixth condition in the mortgage does not of itself create any charge upon the money proceeds of the sales of the bonds. If the word " charge," in this proviso, is to be construed as used in its strict and technical sense, then it is simply a covenant on the part of the corporation that it will not create such a charge upon the money proceeds without the assent of the trustees. It is not a creation of a charge by the assent of the trustees, but a covenant not to create a charge by the act of the corporation without the assent of the trustees. The corporation had the power, by taking the requisite steps, to create a charge upon the money proceeds. The money was to be expended by the corporation, not by the trustees. It was in the power of the corporation to expend the money for any contract it should choose to make, approved by the trustees, for equipping and completing the road. It was in its power to create, by agreement between all the parties, a charge upon the moneys in favor of any one or of all the contractors ; but, under the limitation of the sixth clause, it could not do so without the assent of the trustees. But, even with the assent of the trustees, to create such a charge upon so fugitive a subject of charge as money, which has no earmark, would require evidence of the most unmistakable language in whatever agreement or indenture is relied upon to establish the charge. There certainly is no such agreement in this indenture. It is not enough to create such a charge that the property may have been acquired or the fund created through the efforts or outlays of the party claiming the lien. *Wright v.*

Ellison, 1 Wall. 16. Where, then, are we to look for the evidence that the corporation itself has agreed to create such a charge, and that the trustees have assented to such agreement?

The complainant was not a party to the indenture, and, prior to the filing of the bill, does not claim to have asserted any rights under it. The contract of the complainant with the corporation for the construction of a portion of the road does not undertake to create, and does not create, any charge upon the money proceeds of the bonds. No agreement is therein made for any such charge or lien, nor can it be seriously contended that any such charge or lien is created by any necessary implication from the terms or the scope of the contract. The assent of the trustees to the contract, therefore, was no assent to an agreement for a charge on the funds, there being no such agreement in the contract. Nor was it in the power of the corporation and the trustees combined to create a charge or lien on the property covered by the mortgage, which would take precedence of that of the trustees of the bondholders, which, by the express declaration in the indenture itself, was to be "the first and only lien on the property and franchises of the company." The bondholders advanced their money upon the faith of the security on the existing property and value of the road and its appurtenances, and the property and value to be added by the expenditure of the money advanced by them. The mortgage assumed to secure them on "the like estate, roads, railroads, and structures, and matters and things pertaining or belonging thereto, that may be hereafter acquired or constructed, or belong to or be controlled by" the corporation. These several items of property, as they came into existence, would become instantly attached to and covered by the deed, and would have fed the estoppel created thereby. *Galveston R. R. v. Cowdrey*, 11 Wall. 459; *Dunham v. Railway Co.*, 1 Wall. 254; *Pennock v. Coe*, 23 How. 117.

As no property has been acquired under the mortgage, except such as by its terms was to be subject to the first and only lien under the mortgage in favor of the bondholders, the "charge" in favor of complainant, if any agreement for such charge had been made, and if such agreement had been assented to by the trustees, would have been subordinate to the first lien created by the indenture. The advances made by the bondholders were made upon the faith of such security, and the fact that com-

plainant's labors had added to the security of the bondholders would not subordinate their lien to his, if he had one. *Mason v. Y. & C. Railroad Co.*, 52 Me. 82; *Willink v. Morris Canal Co.*, 3 Green, Ch. 377; *Galveston Railroad v. Cowdrey*, 11 Wall. 459; *Dunham v. Railway*, 1 Wall. 254.

Demurrer sustained. Bill dismissed, with costs.

SEPTEMBER, 1874.

LUCIUS C. CHASE v. CHARLES W. SABIN *et al.*

The reissue patent granted Lucius C. Chase, May 26, 1863, for improvement in buckles, held invalid for want of novelty in the invention described and claimed.

SHEPLEY, J. The invention described and claimed in the patent of the complainant, for an improvement in buckles, reissue No. 1,483, dated May 26, 1863, is for "confining a buckle to a strap or other article, by means of one or more rivets or screws passing through one or more wings or flanges, substantially as set forth, and for the purpose described."

The specification describes the invention as laying a buckle, provided with one or more wings having one or more holes through it or them, flat upon the strap or material to which it is to be confined, and punching in it one or more holes corresponding with the hole or holes in the wing or wings, and putting through each one a rivet, and heading it.

The defendants' answer to the bill of complaint alleges, among other things, that this invention was not new, but, before the date of the alleged invention, was known and used, among others, by Kasson Fraser, of Syracuse.

The evidence in the case shows, conclusively, the use, by Fraser and others, as early as 1853, at Syracuse, of buckles provided with such a wing or flange as is described in the complainant's patent, and attached to a strap in the described manner. This is a perfect defence to the claim in the patent of the complainant, as the evidence proves an extensive use of the Fraser buckle since 1853.

Bill dismissed, with costs.

George E. Betton, for complainant.

James B. Robb, for defendants.

SEPTEMBER, 1874.

NATHAN MATTHEWS v. THE MASSACHUSETTS NATIONAL BANK.

It is within the general authority of the cashier of a bank to sign, in its behalf, a blank transfer upon a certificate of stock in the name of the bank, held by it as collateral security for a loan, and deliver the certificate to the pledgor on payment of the loan.

The signing a transfer in blank on a certificate of stock is a warranty of the genuineness of the certificate.

A stock certificate originally for two shares of stock in the name of C, which had been by him fraudulently altered so as to purport to be for two hundred shares in the name of a certain bank as collateral, was received in good faith by the bank from C, as collateral security for a loan to him. On payment of the loan by C, the cashier of the bank, as such, signed a transfer in blank upon the back of the certificate, and delivered it to C. Afterwards, the plaintiff in good faith received the same certificate from C, as collateral security for a loan then made to him. The plaintiff's loan was not paid. On suit by him against the bank to recover the amount of his loss; *Held*, that the bank was liable.

ACTION at law. The case was heard by the court upon an agreed statement of facts, the material parts of which are stated in the opinion. The first count in the declaration was as follows: "And the plaintiff says the defendant was possessed of a certain instrument in writing, purporting to be a certificate of stock issued to the defendant by the Boston and Albany Railroad Company, a copy whereof is hereto annexed, and pretended to be entitled thereunder to two hundred shares in the capital stock of the said Boston and Albany Railroad Company; and the defendant, in consideration of the sum of twenty-five thousand dollars paid to defendant by the plaintiff, on or about the twenty-eighth day of April, 1873, assumed the right to sell, and did sell, and agreed to deliver to the plaintiff, two hundred shares in the capital stock of the said Boston and Albany Railroad Company of the par value of one hundred dollars each, said stock being then and now worth in the market more than its par value; and, as evidence of such sale, and for the alleged purpose of transferring such stock, assigned in writing, and transferred and delivered to the plaintiff, said pretended certificate of stock, and thereby warranted its genuineness; and that the

defendant was proprietor of the shares of stock therein described, and could convey a good title thereto by virtue of said assignment. A copy of said instrument of assignment is hereto annexed, the same having been indorsed on said pretended certificate.*

“But the plaintiff says that the defendant did not own at the time of said sale, and of the assignment of said pretended certificate, the two hundred shares of stock so sold and agreed to be delivered by the defendant to the plaintiff, and that the pretended certificate so purporting to have been issued to the defendant by said Boston and Albany Railroad Company was never in fact issued to the defendant by said company, and was not genuine, but was false, forged, and void, and the defendant was not the proprietor of the shares of stock therein described, and that the transfer and assignment of said pretended certificate conveyed no right or title in or to any shares of stock to the plaintiff, and was of no value, and that the plaintiff has received no consideration for the money so paid by him to the defendant.

“Wherefore, the defendant owes the plaintiff said sum of twenty-five thousand dollars, so paid by the plaintiff to the defendant, with interest thereon, but has never paid the same or any part thereof, though payment thereof has been duly demanded.”

Dwight Foster, G. W. Baldwin, for plaintiff.

The defendant corporation, by signing the blank form of transfer, so far warranted the genuineness of the certificate that it is estopped from setting up the forgery as a defence to this action.

This is well settled, as respects the transfer by indorsement of forged notes, checks, bills, and other negotiable instruments. *State Bank v. Fearing*, 16 Pick. 533; *Hortsmann v. Henshaw*, 11 How. 184; *Bank of U. S. v. Bank of Georgia*, 10 Wheat. 333; *Redfield & Bigelow*, Lead. Cas. Bills, 650; *Story*, Prom. Notes, 380; *Chitty on Bills*, 242; *Bigelow on Estoppel*, 428, and cases cited. Certificates of stock, “although neither in form or character negotiable paper, approximate to it as nearly as possible.”

[* “For value received the undersigned hereby transfer to _____ of _____ shares of the Capital Stock of the Boston and Albany Railroad Company. H. K. FROTHINGHAM, *Cashier*. Dated at Boston, April 28, 1873.”]

Bank v. Lanier, 11 Wall. 377. The legal title passes by an assignment of the certificate and delivery, although there is no transfer upon the books of the corporation. *McNeil v. Tenth National Bank*, 46 N. Y. 325. And certificates so assigned are articles of commerce, passing from hand to hand like commercial paper. *Leitch v. Wells*, 48 N. Y. 585. The form of assignment printed on the back of the certificate, if signed in blank by the stockholder to whom the same was issued, may be filled up by a subsequent purchaser of the stock. *Bridgeport Bank v. N. Y. & N. H. R. R. Co.*, 30 Conn. 273; *In re Tahiti Cotton Co.*, L. R. 17 Eq. 279; *Lickbarrow v. Mason*, 2 T. R. 63. This establishes a direct relation between the last holder and the original owner of the certificate, and gives to the transaction the effect of negotiability, so far as is needed to justify this action.

The plaintiff makes out a *prima facie* case by putting in evidence a certificate purporting to stand in the name of the defendant, and duly transferred by it to him, for which he has paid in good faith a valuable consideration, and which turns out to be worthless. When that is done, the defendant cannot set up the falsity of its own representations by way of answer and defence, "as against them the plaintiff's case, though defective if the whole truth could come out, shall prevail." *Gibson v. Minet*, 1 H. Bl. 611.

"Where the instrument is not negotiable, the maker may be affected by an *estoppel in pais*, if it be transferred upon his representation of its validity." *Mechanics' Bank v. N. Y. & N. H. R. R.*, 13 N. Y. 638. It is upon this representation that this action is founded, and not upon the forged certificate as the instrument containing the contract. The plaintiff's right of action rests on equitable grounds. He has advanced money in good faith upon the security of a forged title represented by the defendant to be genuine, and, although the forgery was known to neither, the loss should fall on the person who, without due caution, took the instrument from the wrong-doer, and afterwards gave it currency. *Bank of Commerce v. Union Bank*, 3 Comst. 230; *Cabot Bank v. Morton*, 4 Gray, 156. "It is not necessary that the party should design to mislead. If the act was calculated to mislead, and has actually misled another, acting in good faith, it is enough." *Manuf. Bank v. Hazard*, 30 N. Y. 226. Had the bank desired to limit its liability, the name of Coe should

have been inserted. By neglecting to do this, the case is brought within the rule that "where one of two innocent persons must suffer, he who has put it in the power of another to do the wrong must suffer." *Wood v. Steele*, 6 Wall. 82. It is not necessary that the false representation, which is the foundation of this suit, should have been made to the plaintiff directly. It is sufficient "if it is made to the public generally, with a view to its being acted on, and the plaintiff, as one of the public, acts on it, and suffers damage thereby." *Richardson v. Silvester*, L. R. 9 Q. B. 36; *Swift v. Winterbotham*, L. R. 8 Q. B. 253; *Gerhard v. Bates*, 2 El. & Bl. 476.

The essential principle established by the authorities is, that one who affixes his signature thereby warrants or authenticates the genuineness of the instrument to which it is affixed. *Van Duzer v. Howe*, 21 N. Y. 531; *Merchants' Bank v. State Bank*, 10 Wall. 645, 650; *Garrard v. Haddan*, 67 Penn. St. 82; *Dair v. United States*, 16 Wall. 4; *Sprigg v. Bank Mt. Pleasant*, 10 Pet. 264.

Liability for injury sustained by reason of representations, carelessly made, which have proved false, has been enforced. *N. Y. & N. H. R. R. Co. v. Schuyler*, 34 N. Y. 30; *Thomas v. Winchester*, 6 N. Y. 397; *Lobdell v. Baker*, 3 Met. 469; *Preston v. Mann*, 25 Conn. 131; *Slim v. Croucher*, 1 De G., F. & J. 518; *Pickard v. Sears*, 6 A. & E. 474; *Ramshire v. Bolton*, L. R. 8 Eq. 294; *Hooker v. Hubbard*, 97 Mass. 175; *Collen v. Wright*, 8 E. & B. 647; 2 Kent, Comm. 490, and note; 1 Smith's Lead. Cas. 270.

The fact that the signature of the defendant was given for the purpose of transferring title to the instrument, establishes a contract of sale between the defendant and the plaintiff, and brings the case within authorities which hold that the vendor of a specific chattel is responsible if the article be not a genuine article of the kind which the seller represents it to be. *Gompertz v. Bartlett*, 2 El. & Bl. 854; *Jones v. Ryde*, 5 Taunt. 488; *Gurney v. Womersley*, 4 El. & Bl. 133; *Henshaw v. Robins*, 9 Met. 86; 2 Kent, Comm. 480, and note.

The defendant was negligent: 1. In trusting to Coe, the borrower, to obtain a transfer to them, from the Boston and Albany Railroad Company, of the two hundred shares of stock, instead of sending, themselves, to the office of the corporation to obtain

the certificate; 2. In delivering the forged instrument to Coe, authenticated by a transfer signed in blank; thus giving it a currency and negotiability which it would not have possessed had Coe's name been inserted in the form of transfer, and putting it in his power to commit the fraud, upon which this suit is founded. The plaintiff was not negligent. He had a right to assume upon receiving this certificate, authenticated by the signature of the bank, that the defendant had obtained it from the railroad company in the usual way, which would have prevented the possibility of forgery or fraud in the body of the instrument. *Espy v. Bank of Cincinnati*, 18 Wall. 604; *Lickbarrow v. Mason*, 2 T. R. 63, and note in Smith's Lead. Cas. 1039.

Joshua P. Converse, Edward A. Kelly, for defendant.

The loan by the bank to Coe, and his delivery of the forged certificate of stock, as collateral, to the bank, was a transaction of which the plaintiff had notice; and the statement on the face of the certificate that it was held by the bank as collateral, was notice that the bank was not in fact the absolute owner, and that it was held only in pledge. *Wilson v. Little*, 2 Coms. 443; 2 Kent, 579; 4 Kent, 138; *Allen v. Dykers*, 3 Hill, 593; *Dykers v. Allen*, 7 Hill, 497; *White v. Platt*, 5 Denio, 269; *Newton v. Fay*, 10 Allen, 505; Gen. Stats. (Mass.), chap. 123, sect. 62, chap. 68, sect. 14.

The certificate held by the bank having been given it by Coe as a pledge, when he paid the debt, the restoration of the certificate to him vested in him all the rights which the bank ever had. The possession of the certificate by Coe, after notice of its having been held in pledge, was notice to Matthews that the debt for which it had been held in pledge had been paid.

The transfer in blank created no liability or obligation on the part of the bank to Matthews.

The act of the cashier in signing and transferring the certificate to Coe was performed with the intention of restoring the pledge to Coe in discharge of the duty of the bank as pledgee, after the purposes of the pledge were answered, and not with any purpose of a sale of the certificate, or the stock supposed to be represented by it; and no contract of sale resulted from it. *Langton v. Waite*, 17 W. R. 475; *Ketchum v. Stevens*, 19 N. Y. 499; *Williamson v. Berry*, 8 How. 685. •

By the Statute of Frauds the transfer in blank is void. Browne

on Frauds, sect. 372; *Champion v. Plummer*, 1 Bos. & Pull. N. R. 252.

When Coe paid the debt and took back what he had pledged, his right became as absolute and complete as when the pledge was given; and if he could not have sued the bank, it is submitted that he could not by a delivery to another person transfer a right of action against the bank.

Certificates of stock are not negotiable instruments, and the transferees of such certificates acquire the same rights which their assignors had, and no more, and deal in relation to them at their peril. *Mechanics' Bank v. N. Y. & N. H. R. R.*, 13 N. Y. 599, 622; *McNeil v. Tenth National Bank of New York*, 55 Barb. 59; *Bush v. Lathrop*, 22 N. Y. 535; *Mangles v. Dixon*, 18 Eng. Law & Eq. 82, 95; Hilliard on Sales (3d ed. 1869), 594, and authorities in note; *Fisher v. Essex Bank*, 5 Gray, 377; *Manager Ath. L. A. Society v. Pooley*, 3 De G. & J. 294. They are not in the nature of letters of credit, on the faith of which any one might act. *Mechanics' Bank v. N. Y. & N. H. R. R. Co.*, 13 N. Y. 629-631.

The doctrine that the sale of goods carries with it an implied warranty of title or genuineness cannot apply here. 1. The doctrine is intended to protect those who otherwise have no means of protecting themselves. Did the bank covenant with Coe that the certificate forged by him was genuine? 2. It is not like a covenant running with land, and good in the hands of third persons. 3. The doctrine applies only where the vendor is in possession, and sells goods as his own. 2 Kent, 478, and note (Holmes's ed.); *McCoy v. Artcher*, 3 Barb. 323; *Edick v. Crim*, 10 Barb. 445; *Baxter v. Duren*, 29 Me. 434; *Morley v. Attenborough*, 3 Wels., H. & G. 508; *Medina v. Stoughton*, 1 Salk. 210; *Ormud v. Huth*, 14 M. & W. 664; *Emerson v. Brigham*, 10 Mass. 197; 1 Parsons on Cont. 457, 458; *Huntington v. Hall*, 36 Me. 501, and cases cited; *Whitney v. Heywood*, 6 Cush. 82, 86. 4. The bank never was in possession of any thing but a forged certificate; and this Matthews has received. 5. The transfer is in the nature of a chose in action; and Matthews stands in the same situation as his assignor, and no covenants of warranty of title or genuineness are implied. *Eaton v. Mellus*, 7 Gray, 566. 6. Matthews received the certificate from Coe with constructive notice that the relation of trustee and *cestui que trust* had existed between the bank and Coe, which imposed upon him the duty

of inquiry as to its character and limitations. And whatever is sufficient to put a person of ordinary prudence upon inquiry is constructive notice of every thing to which that inquiry might have led. *Freeman v. Harwood*, 49 Me. 195; *Newton v. Fay*, 10 Allen, 507; *Shaw v. Spencer*, 100 Mass. 390. 7. The transfer was of the identical certificate delivered to the bank, in performance of its duty as pledgee, upon the payment of the debt for which it was pledged, and was not a transfer of shares of stock generally. *Westropp v. Solomon*, 8 C. B. 345.

The declaration is in contract; and there is no allegation in the statement of facts that Matthews ever paid, or that the bank ever received, any thing for the alleged contract of sale. The amount advanced by Matthews was a loan to Coe; and the only money received by the bank was the debt paid to it by Coe; and neither was a legal consideration for a contract with the bank. *Smith v. Bartholomew*, 1 Met. 278.

The cashier had no authority or right to bind the bank to pay money upon any contract alleged, because: 1. He never had authority by virtue of his office, nor any authority delegated by the directors. *Bank of U. S. v. Duren*, 6 Pet. 51; *U. S. v. City Bank of Columbus*, 21 How. 356; *Marsh v. Fulton Co.*, 10 Wall. 676. 2. There was no consideration for the alleged contract, and the same was therefore void.

The claim against the bank is too remote. *Anthony v. Slaid*, 11 Met. 290; *Brown v. Cummings*, 7 Allen, 507. Damage without fraud, or fraud without damage, will not sustain an action. *Randall v. Hazelton*, 12 Allen, 412; *Stone v. Denney*, 4 Met. 151.

The bank having no right to sell the stock, as the debt had been paid, the cashier could not make a sale. As neither the bank nor the cashier could sell the stock, the act of the cashier in signing the transfer in blank could not operate as an estoppel. *Lowell v. Daniels*, 2 Gray, 161; Bigelow on Estoppel, 480. There was no intent on the part of the bank to induce Matthews to act on the faith of the alleged representation. *Plummer v. Lord*, 9 Allen, 458. Matthews was a stranger to the alleged representation, and, therefore, it is no estoppel in his favor. *Mechanics' Bank v. N. Y. & N. H. R. R. Co.*, 13 N. Y. 638, 639. As the cashier had no right to sell the stock to the plaintiff, the alleged negligence in doing what he had no right to do could not bind the bank. *Foster v. Essex Bank*, 17 Mass. 479.

Matthews had no right to fill up the blank transfer, so as to make it appear to be a contract of sale to himself. 1. Because he dealt only with Coe, and derives his title from him, and not from the bank. *Ketchum v. Stevens*, 19 N. Y. 499. 2. Because he cannot make a contract by which the bank is bound, which he knew, or was bound to know, is in opposition to its wishes and intentions. 3. Because the bank and Matthews were both pledgees of Coe, and the relation of vendor and vendee could not, and did not, exist between them.

There was no negligence on the part of the bank in receiving the certificate from Coe as a pledge for a loan to him, nor in the mode of transfer to him.

The loss sustained by Matthews can be traced to his want of prudence and care in dealing with Coe. *Gloucester Bank v. Salem Bank*, 17 Mass. 42; Maule, J., in *Westropp v. Solomon*, 8 C. B. 345; *Shaw v. Spencer*, 100 Mass. 391; *Boylston National Bank v. Richardson*, 101 Mass. 290; *Bank of United States v. Bank of Georgia*, 10 Wheat. 333.

If, under the peculiar circumstances of this case, no fault or negligence is imputable to either party, the loss must remain with Matthews where the course of business has placed it. *Gloucester Bank v. Salem Bank*, 17 Mass. 42.

If it is claimed that the cashier was negligent or careless in the mode of transfer, it is submitted that the loss or injury sustained by the plaintiff is not the direct and immediate consequence of the alleged negligent act of the cashier. The felony of Coe in uttering the forged certificate, which he knew to be forged, and the laches of the plaintiff, were the direct and immediate causes of the loss to the plaintiff. *Salem Bank v. Gloucester Bank*, 17 Mass. 31; *Hatch v. Searles*, 2 Sm. & Giff. 147.

SHEPLEY, J. The defendant, the Massachusetts National Bank, loaned to one James A. Coe twenty-two thousand dollars, payable on call with interest, taking from him his memorandum of indebtedness for that sum, with, as collateral security therefor, what purported to be a certificate of two hundred shares of the capital stock of the Boston and Albany Railroad Company issued to said Massachusetts National Bank, as collateral. This instrument was originally a genuine certificate for two shares of the capital stock of the Boston and Albany Railroad Company issued to H. E. Coe, but by false and forged erasures and interlinea-

tions it had been so altered as to purport to be a certificate for two hundred shares of its stock issued by said railroad corporation to the Massachusetts National Bank, as collateral.

The bank received the said certificate in good faith and without any suspicion of its fraudulent character, and in supposed fulfilment of the promise of James A. Coe to give as security for the loan aforesaid two hundred shares of the capital stock of said railroad corporation. Subsequently, upon payment by said Coe to the bank, he received back his memorandum of indebtedness; and the cashier of the bank, for the purpose and with the intention of restoring the collateral to Coe, returned to him the fraudulent certificate, with the usual printed form of transfer on the back thereof, signed by H. K. Frothingham, cashier of said bank, in blank.

About two weeks after the surrender by the bank of this certificate to Coe with the transfer in blank of the cashier on the back of it, the plaintiff, Matthews, pursuant to his agreement to loan Coe twenty-five thousand dollars on call with interest, received from Coe, in good faith, the said fraudulent certificate with the blank assignment on the back thereof, supposing the same to be a genuine certificate for two hundred shares of said stock issued by the corporation and duly transferred and assigned so as to enable him to obtain a new certificate therefor in his own name; and on receipt thereof loaned the sum of twenty-five thousand dollars. The signature of the cashier was well known to Matthews, who correctly supposed the signature on the blank assignment to be genuine. Coe was tried and convicted for obtaining money by false pretences; and indictments for forgery are now pending against him, and he has been declared bankrupt. The next day, or very soon after the day when the money was loaned by Matthews, the fact first became known to plaintiff and defendant of the fraudulent alteration of the certificate before it came into possession of defendant, and plaintiff thereupon notified the bank that he should hold it responsible for any loss sustained by him by reason of the premises. This action is brought for the recovery of the damages thus sustained.

The real question presented in the case is, whether the bank by signing the blank transfer has so far warranted the genuineness of the certificate that it is estopped from setting up the forgery as a defence to this action.

Defendant denies that the cashier had authority or right to bind the bank by the contract declared on. Cashiers of a bank are held out to the public as having authority to act according to the general usage, practice, and course of business conducted by the bank. Their acts, within the scope of such usage, practice, and course of business, will in general bind the bank in favor of third persons possessing no other knowledge. *Morse v. Mass. Nat. Bank*, ante, p. 209; *Minor v. Mechanics' Bank*, 1 Pet. 70; *Merchants' Bank v. State Bank*, 10 Wall. 604. One of the ordinary and well-known duties of the cashier of a bank is the surrender of notes and securities upon payment; and his signature to the necessary transfers of securities or collaterals, when in the form of bills of exchange, choses in action, stock certificates, or similar securities for loans, which are personal property, is an act within the scope of the general usage, practice, and course of business in which cashiers of a bank are held out to the public as having authority to act. Undoubtedly the ordinary duties of a cashier do not comprehend the making of a contract which involves the payment of money, without an express authority from the directors, unless it be such as relates to the usual and customary transactions of the bank. But the transfer of certificates of stock held as collateral is certainly one of the usual and customary transactions of banks, and the public would be no more likely to require evidence of a special authority to the cashier to make such transfer than of a special authority to draw checks on other banks, or to perform any other of the daily duties of his office.

The signature of the cashier must therefore be considered as the signature of the bank, and the question returns, whether such blank assignment on the back of the certificate by the bank be so far a warranty of the genuineness of the certificate that the bank is estopped from setting up the forgery as a defence. In the case of forged negotiable instruments, it is well settled that the indorser warrants that the instrument itself and the antecedent signatures thereon are genuine. Story on Prom. Notes, sect. 135; *State Bank v. Fearing*, 16 Pick. 533; *Hofstman v. Henshaw*, 11 How. 183; *Critchlow v. Parry*, 2 Camp. 182; *Canal Bank v. Bank of Albany*, 1 Hill, 287. The indorser's liability in these cases is properly placed upon the ground of estoppel. "This proceeds," says Judge Story, "upon the intelligible ground that

every indorser undertakes that he possesses a clear title to the note deduced from and through all the antecedent indorsers, and that he means to clothe the holder under him with all the rights which by law attach to a regular and genuine indorsement against himself and all the antecedent indorsers. It is in this confidence that the holder takes the note without further explanation; and if each party is equally innocent, and one must suffer, it should be the one who has misled the confidence of the other, and by his acts held out to the holder that all the indorsements are genuine, and may be relied on as an indemnity in case of the dishonor thereof." This is a statement of the grounds upon which the rule of law rests as applicable to negotiable instruments, but the reasoning would seem to apply with equal force and pertinency to the case of a transfer of a certificate of stock by indorsement in blank. Stock certificates are sold in open market like other securities, and form the basis of commercial transactions. In the language of Davis, J., in *Bank v. Lanier*, 11 Wall. 377: "Although neither in form nor character negotiable paper, they approximate to it as nearly as practicable." In *Leitch v. Wells*, 48 N. Y. 613, it is said: "Since the decision of the case of *McNeil v. Tenth National Bank*, 46 N. Y. 325, certificates of stock, with blank assignments and powers of attorney attached, must be nearly as negotiable as commercial paper." The common practice of passing the title to stock by delivery of the certificate, with the blank assignment and power, has been repeatedly proved and sanctioned in cases which have come before the courts in New York. In *N. Y. & N. H. R. R. Co. v. Schuyler*, 34 N. Y. 41, the rights of parties claiming under such instruments were fully recognized by the court, and such mode of transfer was shown to be the common practice of the city of New York. It is well settled that the form of assignment printed on the back of stock certificates, when signed in blank, may be filled up by a subsequent purchaser of the stock. *Kortright v. Commercial Bank of Buffalo*, 20 Wend. 91, and 22 Wend. 348; *Bridgeport Bank v. N. Y. & N. H. R. R. Co.*, 30 Conn. 273. The certificate in this case, as it came from the bank, contained on the same piece of paper, and on the back of the certificate, a blank assignment, which was all that was necessary to transfer the title of the stock as between the parties. The defendant must, therefore, be held to have intended and agreed

that whoever should present the certificate so issued from the bank, with the assignment executed in blank, should be entitled to fill up the blanks with his own name, and to have a transfer of the stock made to himself on the books of the company. The certificate accompanied with the transfer, executed in blank, has a species of negotiability of a peculiar character, but one well recognized in commercial transactions and judicial decisions, and absolutely essential in the usage and necessities of modern commerce to make such certificates available in commercial transactions. Even when such blank assignments, or powers of attorney to transfer stock, are under seal, the blanks may be filled up according to the agreement of the parties at the time. *Bridgeport Bank v. N. Y. & N. H. R. R. Co.*, 30 Conn. 274, 275; Redfield on Railways, sect. 35, and cases cited. The decisions to the contrary in the English courts have not been followed in this country, and they were influenced not merely by a rigid adherence to the technical rules of the common law in relation to instruments under seal, but by the policy of the stamp system. But the case of *Walker v. Bartlett*, 36 Eng. L. & Eq. 368, and later English decisions, recognize the validity of blank transfers of stock, and that such transfers of stock impose upon the holder of them the obligation to pay calls upon the shares while they remain his property. In *Kortright v. Buffalo Commercial Bank*, 20 Wend. 94, speaking of the filling up of a blank transfer of stock and power of attorney, Nelson, C. J., after stating that this is in strict conformity with the universal usage of dealers in the negotiation and transfer of stocks according to the proof in the case, goes on to say: "Even without the aid of this usage, there could be no great difficulty in upholding the assignment. The execution in blank must have been for the express purpose of enabling the holder, whoever he might be, to fill it up. If intended to have been filled up in the name of the first transferee, there would have been no necessity for its execution in blank; Barker might have completed the instrument." The right to fill the blank in a blank transfer of stock is recognized by the Supreme Court of Massachusetts in *Sewall v. Boston Water Power Co.*, 4 Allen, 277.

Matthews clearly had the right, having advanced the sum of twenty-five thousand dollars upon the supposed security of this blank assignment of stock, to fill up the blank with his own

name and with the place of his residence, and whatever was necessary to make the instrument complete as an assignment and transfer to him of the shares described in the certificate. The case finds that the cashier signed the assignment in blank for the purpose and with the intention of restoring the pledge to Coe. But even if he went further, and agreed with Coe that Coe should fill the blank with his own name, such private understanding between him and Coe would not have affected the rights of third parties who parted with their property in good faith without negligence, upon the faith of the certificate of the cashier that the bank undertook to assign, and did assign, to whoever might be the lawful holder of the instrument, the amount of stock described therein. As above quoted from Nelson, C. J., "If intended to have been filled up in the name of the first transferee, there would have been no necessity for its execution in blank." Frothingham "might have completed the instrument." What possible explanation can be given of the course of the cashier in giving to Coe an assignment in blank rather than a transfer to Coe himself, other than to enable Coe to dispose of the certificate so that the holder could take his title directly from the bank, and that the instrument might be used according to the well-known usage of dealing with stock certificates, passing from one purchaser to another without the inconveniences and delays consequent upon manifold transfers on the records of the corporation? If the bank intended to limit the assignment to a particular assignee, or to a less number of shares than the number described in the certificate, the limitation should have appeared in the assignment. The assignment in blank purports to assign what is described in the certificate to the lawful holder, whoever he may be, who may fill the blank. The signature is given for the purpose of transferring title; and whenever the blank is filled, a contract of sale is established between the party who has signed the blank assignment and the person whose name is rightfully filled in as assignee.

It is contended in behalf of the bank that the transfer in blank created no liability or obligation on the part of the bank to Matthews, because the circumstances under which the certificate was received by the bank and surrendered to Coe indicate clearly that the act of the cashier in signing and transferring the certificate to Coe was performed with the intention of restoring the pledge to Coe in discharge of the duty of the bank as pledgee

after the purposes of the pledge were answered, and not with any purpose of a sale of the certificate or the stock supposed to be represented by it. But there is nothing in the case to show any knowledge on the part of Matthews of any such intention on the part of the cashier. The certificate purports to be a certificate that the bank held the shares as collateral, but does not show that they were collateral for a debt of Coe's to the bank. Such a certificate of stock with the transfer in blank of a responsible bank might, in the ordinary course and usage of dealing in stocks, pass through the hands of many successive purchasers. The possession of the certificate would afford no indication that the holder of it was the person who had originally transferred it to the bank as collateral. If Coe had consented to a sale by the bank of the collateral to pay his debt, or if the bank had in any way acquired the right to sell it, and had sold it, if the assignment had been in blank, the purchaser would have been in the same condition, and Matthews, in dealing with such a purchaser, would have received no better evidence of title against the bank than he received from Coe. Had the bank desired to sell this stock, and placed it in the hands of a broker with a blank transfer in the usual course of business, Matthews, in buying from the broker, would have received no better evidence of title against the bank than in the present case. The mere words "as collateral" in the instrument do not tend to put the purchaser on inquiry, except so far as relates to the authority of the bank to dispose of the collateral as between the bank and its debtor. If this inquiry had been made, it would only have resulted in the information that the assignment was made in its actual form by the joint act and consent of the debtor and the bank. The name of the pledger was not stated in the certificate, as is required by the statute of Massachusetts (Gen. Stats. of Mass., chap. 68, sect. 13). In fact, if Matthews had gone to the bank to make inquiries, he could only have learned that, Coe having paid his debt to the bank, the certificate had been surrendered to him by the bank with a transfer in blank. There would have been nothing in this information to lead him to doubt the genuineness of a certificate to which the bank had given currency by its signature, and on the faith of which he would have learned the bank had loaned twenty thousand dollars, which had been paid. The bank or the cashier did not then doubt the genuineness of

the instrument, and no inquiry at the bank would have inspired doubts in the mind of Matthews, there being no such doubts in the minds of the officers of the bank. Nor is it perceived how the bank can contend with any show of reason that Matthews was negligent in not inquiring at the office of the railway corporation. If the duty of making such an inquiry was incumbent on any one, it was surely incumbent on the bank to ascertain the genuineness of the instrument before they gave currency to it, and lulled suspicion and doubt by the responsibility of their own signature. The answer to all the positions taken by the defendant as to notice to Matthews from the words "as collateral" in the instrument, is that there is nothing to connect Coe with those words. There is nothing on the face of the papers, and there was nothing in the fact of the possession of the instrument by Coe, to show that he was the person for whose debt the stock was held as collateral. Had not Matthews a right to suppose, upon receiving this certificate authenticated by the signature of the bank, that they had obtained the certificate themselves from the railroad company in the usual way, thus preventing the possibility of fraud or forgery before receiving as collateral for a loan and before authenticating it with their signature? It is difficult to see in what respect Matthews was negligent.

The defendant, on the other hand, negligently placed confidence in Coe to obtain a transfer from the railroad company of the two hundred shares on which they loaned the sum of twenty-two thousand dollars, instead of taking their certificate directly from the company. But the negligent act which especially imposes upon them a liability in this case, is that they delivered the forged instrument to Coe, authenticated by their signature in blank to a transfer, thus giving to it a currency and negotiability which it would not have possessed had they made the transfer directly to Coe. Thus the bank put it in the power of Coe to commit the fraud on Matthews on which this suit is founded.

In *McNiel v. Tenth National Bank*, the language of the opinion is precisely applicable to a case like the present: "Such, then, being the nature and effect of the documents with which the plaintiff intrusted his brokers, what position does he occupy towards persons who in reliance upon those documents have, in good faith, advanced money to the brokers or their assigns on a pledge of the shares? When he asserts his title, and claims as

against them that he cannot be deprived of his property without his consent, cannot he be truly answered, that by leaving the certificate in the hands of his brokers, accompanied by an instrument bearing his own signature which purported to be executed for a consideration, and to convey the title away from him, and to empower the bearer of it irrevocably to dispose of the stock, he in fact 'substituted his trust in the honesty of his brokers for the control which the law gave him over his own property,' and that the consequences of a betrayal of that trust should fall upon him who reposed it, rather than upon innocent strangers from whom the brokers were thereby enabled to obtain their money?" If the bank only intended to revest in Coe whatever it acquired from him, it would have been perfectly easy to have limited the transfer to that extent only. A private understanding that such was the intention between Coe and the cashier could not affect the rights of those who, if misled, were misled by the acts of the bank. If the bank, by giving Coe the transfer in blank with its signature, exhibited him to the money-dealing public as having the competent right of pledge and disposal, with all the usual evidences of such right, it substituted its trust in the honesty of Coe for the control which the bank should have exercised itself over the transfer of the instrument, and should suffer the loss consequent upon his betrayal of the trust, rather than to suffer it to fall upon an innocent stranger.

If the conditions upon which the apparent right of control which the bank conferred upon Coe were not expressed on the face of the instrument, but remained in confidence between the bank and Coe, the case is not distinguishable in principle from that of an agent who receives secret instructions qualifying or restricting an apparently absolute power. *Jarvis v. Rogers*, 15 Mass. 389; *Pickering v. Burk*, 15 East, 38; *Fatman v. Loback*, 1 Duer, 354; *N. Y. & N. H. R. R. Co. v. Schuyler*, 34 N. Y. 31.

One of two innocent parties must suffer in this case by the fraud of Coe. Under similar circumstances, courts have repeatedly held that the party must suffer who has exhibited the greater degree of negligence. The leading case on the indorsement of bills of lading, *Lickbarrow v. Mason*, 2 T. R. 63, is an authority on this point. See also *Lobdell v. Baker*, 3 Met. 469; *Polhill v. Walter*, 3 B. & Ad. 114.

The bank is precluded from setting up the fact of the forgery

of the instrument, because it would be a wrong on its own part and an injury to others whose conduct has been influenced by the acts and omissions of the bank. Swayne, J., in *Merchants' Bank v. State Bank*, 10 Wall. 645, says, "Estoppel *in pais* presupposes an error or a fault, and implies an act in itself invalid. The rule proceeds upon the consideration that the author of the misfortune shall not himself escape the consequences and cast the burden upon another." Clifford, J., recognizes this principle in his dissenting opinion in that case: "If a bank may be held liable in any case upon a certificate of their cashier that a check is good when they have no funds of the drawer, it is not because the cashier is authorized to make such certificate, but because the bank is bound by his representation, notwithstanding it is false and unauthorized." An estoppel is a salutary rule which prevents a man from proving that to be false which he has once represented to be true, when others have acted on the faith of his representation.

The fact that Matthews has also a right of action against Coe, who is a convict and a bankrupt, does not preclude him from a remedy against the bank. *Gurney v. Womersley*, 4 E. & B. 133.

Upon the facts as agreed in this case, the plaintiff is entitled to judgment, and, according to the agreement of parties, the case is to be referred to an auditor to assess the damages.

Judgment accordingly.

SEPTEMBER, 1874.

BENJAMIN A. EARL v. RICHARD DEXTER *et al.*

Where the answer in a suit in equity to restrain infringement of a patent, contains no notice of prior patents, or persons by whom, and places where, the patented improvement was known or used before the alleged invention of the patentee; copies of the drawings of prior patents, and testimony respecting them, are not admissible in evidence, against the complainant's objection, to show that the patentee was not the original and first inventor of the patented improvement.

SHEPLEY, J. The defendants have offered in evidence, against the objections of the complainant, certain exhibits purporting to be copies of drawings of foreign patents, accompanied with evi-

dence respecting them, for the purpose of showing that the patentees were not the original and first inventors of the improvement in apparatus for oiling wool, described in the patent for an alleged infringement of which this bill is brought. The answer of defendants denies that the patentees were the original and first inventors, but does not, in compliance with the statute, give any notice of the persons by whom, or the places where, the alleged invention was known or used before the invention of the patentees.

The only question presented by the record is one of infringement. Treating the patent as a good and valid one, as I am compelled to do on this record as against these defendants, I must come to the conclusion that the mechanism used by the defendants for oiling wool, consisting of an oil reservoir and a sprinkler having such a movement imparted to it that it will enter the oil in the reservoir, and then, by percussive action, discharge the adhering oil, in the form of drops or spray, on to the wool, so as to effectually and uniformly saturate the traversing wool, is an infringement on the mechanism patented to B. A. Earl as assignee of B. A. Earl and Henry Holcraft.

Decree for injunction and account.

C. Howson, A. K. P. Joy, for complainant.

H. L. Parker, Dane & Baker, for defendants.

SEPTEMBER, 1874.

EDWIN P. MONROE v. THE DOVER STAMPING COMPANY.

The reissue patent of Edwin P. Monroe, granted Oct. 16, 1860, for a new and improved egg-beater, is not infringed by the manufacture and sale of egg-beaters constructed according to the patent granted Turner Williams and E. D. Goodrich, May 31, 1870.

SHEPLEY, J. Complainant alleges that defendant infringes the invention secured to him by letters-patent, reissue No. 1,062, dated Oct. 16, 1860, for a new and improved egg-beater. Defendant, under license from the patentees, was making and selling egg-beaters under and in conformity to letters-patent of the

United States granted to Turner Williams and E. D. Goodrich, assignees of Turner Williams, dated May 31, 1870, and numbered 103,811.

The beater described in complainant's patent consists of a frame, to be clamped to a table or other support, with two concentric beaters, which are by suitable gearing revolved in opposite directions. The vessel containing the eggs to be beaten is held up to the beaters, which project downward from the frame so that the beaters will be immersed in the matters to be beaten. By turning the crank the beaters are revolved concentrically in opposite directions. In the Monroe patent the first claim is for, in combination with a rotary egg-beater, an arm having at one end bearings for the journals to rotate in, and at the other a clamping device for the purpose of securing the beater to the table with its shaft or bearing in a vertical line, as set forth. It is not contended that defendant infringes this claim. The second claim is for "the beaters revolved in opposite directions by suitable mechanism, substantially as set forth." The Monroe beaters revolve in opposite directions, and the beaters in the Turner Williams patent also revolve in opposite directions. Here their resemblance begins and ends. The Monroe beaters revolve concentrically. The axes of the beaters in the Williams machine are at some distance apart, and the orbits described by the revolution of the blades of the beaters intersect each other. The currents produced in the matter to be beaten are entirely different. In the Monroe beater the fluid material tends to arrange itself mainly in two concentric layers which are carried around in opposite directions by the beaters, the centrifugal force tending to accumulate the material around the circumference of the vessel. In defendant's beater this action does not take place, for the reason that the orbits of the blades intersect at two points in their circumference. After the blade of one beater has passed through the material, another beater moving in an opposite direction passes through the same material, obliterating the track made by the other, and so on alternately. There are other obvious and important differences in the mode of operation of the beaters which render it too clear to admit of any doubt that the invention described in the Turner Williams patent is not an infringement of the patent to Monroe. *Bill dismissed.*

James B. Robb, for complainant.

B. R. Curtis, T. W. Clarke, for defendant.

SEPTEMBER, 1874.

THE FLORENCE MANUFACTURING COMPANY v. THE BOSTON
DIATITE COMPANY.

A patent for the combination in a hand-mirror, of a glass, a back or base piece of wood or other suitable material elongated at one end and having a strip of metal or other stout material on the back extending down into the handle of the mirror as a stiffener, and an outer back and handle of suitable plastic material moulded around the back piece and handle extension, is not infringed by the manufacture and sale of hand-mirrors having no back or base piece of wood or other material, and no extension piece therefrom into the handle, and in which the frame and handle are composed only of the plastic material, and the handle is strengthened by two embedded nails which do not extend up behind the glass.

SHEPLEY, J. This suit is founded on the letters-patent granted to Dudley & Clark, assignees of W. N. Dudley, July 27, 1869, for an improved hand-mirror. The mirror was constructed by first using a base-piece of wood or other suitable material, preferably of similar contour to the glass designed to be mounted on it, and elongated at one end, with a strip of metal or other stout material at its back to form a stiffener for the handle of the mirror. The base-piece, with its handle extension or stiffener, is laid face downward on a mould, and a composition of any suitable plastic material, in sufficient quantity to cover the back and extend beyond the edges of the base-piece and surround the handle-stiffener, is applied; then an upper mould of suitable configuration, and with its interior embellished with any ornamental devices, is pressed down on the plastic composition, thus making a smooth finished ornamental outer back and handle. The advantages claimed for his new manufacture by the patentee are, that the handle and back of the mirror are "smooth finished, and may be highly ornamental, impervious to damp, exempt from warping, with its consequent liability of fracturing the glass, *and preservative of the wooden or other base piece, which may be of a cheap and rough construction*;" and that by its end extension, with strengthening-strip at the back, gives not only a general stability to the whole article, but especially stiffens the handle at its junction with the back or body, where it is naturally weakest or most liable to break."

The claim is: "As a new article of manufacture, a hand or

portable toilet-mirror, constructed, substantially as described, of a base-piece, B, with its handle-extension piece or stiffener, C, glass, A, and outer back and handle, D, made of any suitable composition or cement, substantially as specified."

Defendant made hand-mirrors, in other respects like those described in the Dudley patent, but having no "wooden or other base-piece of suitable material" behind the "glass designed to be mounted on it," and having no extension from such base-piece into the handle. In the smallest and weakest part of the handle two nails of iron were embedded in the plastic compositions, which formed the entire frame and handle of the mirror; but they did not extend behind the mirror, or form any base or support for the glass or the frame behind or around it.

This is clearly no infringement of the Dudley patent. The practice of moulding a plastic material around a skeleton, or partial skeleton, of a material of greater rigidity is as old as any thing known in the arts, was practised by the Assyrians in moulding bronze, and has been in common use to the present day. Hand-mirrors date back to an equally remote antiquity. Hand-mirror frames, moulded from a plastic composition of *papier-maché* and other plastic compounds, were well known before the date of Dudley's invention. Frames for pictures and photographs of a plastic composition of shellac and other substances, moulded and ornamented, were well known and described in Merrick's patent of Dec. 16, 1868, for his new composition of matter. The patentable matter in Dudley's patent must, therefore, be found, if found anywhere, in his new composition of a base-piece, with its extension or handle stiffener, with the other elements in his combination. Without such combination there would have been no new article of manufacture. It is not every new article put upon sale in the market which is a new article of manufacture. If one were to substitute a Claude Lorraine glass for the plate with its stiffened back in the Dudley hand-mirror, it would be a new article of commerce, but not a new manufacture.

In the case of *Clark v. Scott*, 2 Off. Gaz. 4, Judge Blatchford held that hand-mirrors made of cement, applied in a plastic state and afterward hardened, and having embedded in the cement, and concealed from view, two flat wires or strengtheners, made of metal, which run from the body of the mirror part through the neck and into the handle, and which serve to strengthen and

stiffen the article, particularly at the junction of the handle with the body, were infringements of the Dudley patent. But this was upon the ground that he found in those mirrors the base-piece, the handle-extension piece or stiffener, the glass and outer back and handle of cement. He says, "The defendant's wires act as a base-piece or support for the glass, and the wires extend through the neck and in the handle as stiffeners." But in defendant's mirrors there is no base-piece or support for the glass, and no substitute or equivalent therefor. He makes a hand-mirror with a moulded frame of plastic compound, and he re-enforces or strengthens the handle with metallic rods. There was nothing new in this before the date of the Dudley patent.

Bill dismissed.

SEPTEMBER, 1874.

WILLIAM P. MASON v. OTIS CLAPP.

Under the internal revenue acts of June 30, 1864, and July 13, 1866, no succession tax accrued against a devisee of real estate in fee, after a life estate in another, until the termination of the life estate.

Such tax therefore cannot lawfully be assessed against such devisee where the life estate began before, and terminated after, the date fixed for the repeal of the succession tax by the act of July 14, 1870 (16 Stats. 256), the seventeenth section of which provided that the repeal should not prevent the levy and collection of "taxes properly assessed, or liable to be assessed, or accruing under the provisions of former acts," and that the act should "not be construed to affect any act done, right accrued, or penalty incurred under former acts."

SHEPLEY, J. This is an action brought in the State court, and removed by the defendant to this court by *certiorari*, to recover a succession tax paid under protest to defendant as collector of internal revenue for the Fourth Massachusetts District. The writ is dated Nov. 20, 1873.

William P. Mason, the plaintiff's testator, died Dec. 4, 1867. By his will, the real estate upon which the tax in question was levied, was devised to his widow for her life, or until she should cease to occupy the same as a place of residence, and upon her death or ceasing so to occupy the same, to the plaintiff. The widow occupied the said real estate as her residence until her death, on June 17, 1872.

May 15, 1873, the tax in question was assessed by the assessor of said District; and, May 31, 1873, plaintiff paid defendant said tax under protest, to avoid distraint or other forcible process to collect the same. June 9, 1873, plaintiff duly made claim upon the Commissioner of Internal Revenue for the refunding of said tax, for the reason that the said property did not vest in possession in the plaintiff until the death of the testator's widow, which occurred after Oct. 1, 1870, the date at which the repeal of the succession tax went into effect, and that the tax had not accrued at said date so as to come within the saving clause of the act of repeal, (act of July 14, 1870, sect. 17, 16 Stats.). Nov. 15, 1873, the Commissioner of Internal Revenue rejected the appeal, "for the reason that the tax was due, properly assessed, and collected," within said saving clause, "as held by the Circuit Court of the United States for the District of Massachusetts, in the case of *May v. Slack*." If upon the above facts the court are of opinion that the tax was wrongfully assessed and collected, judgment is to be entered for the plaintiff for six hundred dollars, with interest from May 31, 1873; otherwise judgment for the defendant.

The act of July 14, 1870 (16 Stats. 256), repealed the special tax "on legacies and successions" imposed by the internal revenue act of 1864. This repeal took effect on the first day of October, 1870. The seventeenth section of the act of July 14, 1870, provides that "all acts and parts of acts relating to the taxes herein repealed, and all the provisions of said acts, shall continue in full force for levying and collecting all taxes properly assessed, or liable to be assessed, *or accruing* under the provisions of former acts or drawbacks, the right to which has already accrued or which may hereafter accrue under said acts; and for maintaining and continuing liens, fines, penalties, and forfeitures incurred under and by virtue thereof; and this act shall not be construed to affect any act done, *right accrued*, or penalty incurred under former acts, but every such right is hereby saved."

The tax in this case was not assessed, or liable to be assessed, before the first day of October, 1870. It is, however, claimed that the beneficial interest of the plaintiff having accrued Dec. 4, 1867, on the death of William P. Mason, the testator, its liability to the succession tax or duty, when it became vested in possession, was saved by the exceptions of the seventeenth section in relation to taxes "*accruing*" and "*rights accrued*" under former acts.

Sect. 126 of the act of 1864 (13 Stats. 287) defined a "succession" to denote the devolution of title to any real estate. By the provisions of the succeeding section, "every past or future disposition of real estate by will, deed, or laws of descent, by reason whereof any person shall become beneficially entitled, in possession or expectancy to any real estate, or the income thereof, upon the death of any person dying after the passing of this act, shall be deemed to confer on the person entitled, by reason of any such disposition, a 'succession,' and the term 'successor' shall denote the person so entitled." The duty payable in case of such succession varied according as the successor's degree of consanguinity was nearer or remote to the predecessor, from one per centum in case of a successor of lineal issue, or a lineal ancestor of the predecessor, to a duty of six per centum in case of a stranger in blood, or one far removed in degree of collateral consanguinity. Provision was also made, that where, before any successor became entitled to the estate in possession, his interest, by reason of death, passed to any other successor, only one duty should be paid, and should be due from the successor who first should become entitled in possession; but such duty should be estimated at the highest rate which, if every successor had been subject to duty, would have been payable by any one of them. The duty was not payable until the successor became entitled in possession. Act of 1864, sect. 137 (13 Stats. 289). By the provisions of sect. 145, the duty became a lien on the succession after assessment. By the act of July 13, 1866 (14 Stats. 140-141), the assessment was to be made at the expiration of thirty days after the successor came into possession.

Thus, it will be seen that on the first day of October, 1870, when the repealing act took effect, it was uncertain when any duty was to be paid, upon what value it was to be paid, at what rate of duty it was to be assessed and payable, and against whom it would be assessed. No tax had then accrued or was accruing against William P. Mason. Before any one became entitled in possession, the succession might pass by death, by the laws of descent or otherwise, through many different persons. Although, when a successor became entitled in possession, the duty would have been assessable at the highest rate to which any successor in the line would have been liable had he come in possession, the duty did not accrue against that one or any other of the successors in

the line, except the one who became entitled in possession, and not against him until he became so entitled. When he became so entitled in possession, the duty accrued against him; the "right accrued," although the assessment could not be made until the expiration of thirty days. Only one duty accrued against only one successor, however many there might have been in the line of succession. If the successor who became entitled in possession died before the first day of October, 1870, and the thirty days had not elapsed and the assessment had not been made, the case would have been within the exception, because the duty would have accrued against him. The right to the duty would have become absolute; the rate of duty would have become fixed; and the person liable to pay it would have been determined.

The evident intention of this exception was to provide for levying and collecting such sums as should have been assessed before Oct. 1, 1870, and such duties as before that time had accrued against any particular person, where, as against him, the right had accrued and become absolute, although the assessment had not been made. The expression used in sect. 134, "but such duty shall be at the highest rate, which, if every successor had been subject to duty, would have been payable by any one of them," recognizes the fact that only that successor was subject to duty who entered into possession. The definition of a succession in sect. 127, making it embrace interests "in expectancy," does not aid in the construction of this excepting clause, as it could not for a moment be contended that a duty accrued against one having only a contingent interest. In sects. 125 and 128 the duty is referred to as accruing at the time of the final ascertainment of the tax, and the interest in the succession as accruing when the successor is entitled to possession. As the act of 1870 provided that taxes upon real or personal estate which may by any disposition become subject to trusts for charitable purposes are repealed, and no such taxes, whether already levied or not, shall thereafter be collected, the plaintiff might have disposed of his interest before the termination of the life estate, by a conveyance in trust for charitable purposes, so that no tax would have been payable upon it. A duty could not have accrued as against him, when it was in his power so to dispose of the estate that no duty would ever be payable upon that succession.

The case of *May v. Slack*, 16 Int. Rev. Rec. 134, was a case where the testator died in February, 1870, having made by will certain pecuniary legacies, which were paid by his executors in April, 1871. It is plain that the duty had accrued on these legacies, because they were then absolutely due to the specific legatees. The legacy was *debitum in præsentì*, even if it was *solvendum in futuro*. The amount was fixed; the rate was determined; the person ascertained who was to receive the legacy; the person ascertained who was to pay the duty. No one of these elements exist in this case, and the case before the court cannot fall within the rule or the reasoning in the opinion in that case. If the duty in this case was rightly assessed, then it follows that it would be necessary to continue the whole machinery of the internal revenue system to assess and collect duties upon remainders, whenever, after the lapse of years, the life estate determines. It is clear, from the general policy of the statute, that the excepting clause was never designed to have that effect.

Judgment for plaintiff for six hundred dollars, with interest from May 31, 1873.

Russell & Putnam, J. B. Warner, for plaintiff.

George P. Sanger, for defendant.

MAINE DISTRICT.

SEPTEMBER, 1874.

UNITED STATES v. JARVIS PATTEN *et al.*

The term "foreign trade," as used in the tenth section of the act of June 1, 1872 (17 Stats. 238), includes trade between the Atlantic and Pacific ports of the United States.

The term "coastwise trade," as used in that section, does not include trade between the Atlantic and Pacific ports of the United States.

An American vessel previously engaged exclusively in foreign trade, was repaired in Boston, and thence sailed in ballast, *via* New York, to San Francisco for a cargo to Europe, and thereafter was engaged exclusively in foreign trade. In an action by the United States to recover duties on articles of foreign production withdrawn from the United States bonded warehouse in Boston under the tenth section of the act of June 1, 1872 (17 Stats. 238), and used in the repairing; *Held*, that the vessel was engaged exclusively in "foreign trade," and had not by the voyage to San Francisco engaged in "coastwise trade" within the meaning of those terms as used in that section; and that the articles withdrawn from bond and used in the repairing were exempt from duty.

ACTION at law to recover duties on materials used in the repair of the ship *Matterhorn*. The case was heard by the court on an agreed statement of facts, the material parts of which are stated in the opinion.

Nathan Webb, for plaintiff.

A. P. Gould, for defendants.

SHEPLEY, J. The ship *Matterhorn* was built at Bath, in the District of Maine, in the year 1866. She was exclusively engaged in foreign trade after her first voyage from Bath to New Orleans in September, 1866, until her arrival in Boston from Calcutta in the fall of 1872. In October, 1872, she was repaired, and for the purpose of repairing her copper a quantity of yellow metal and composition nails were withdrawn from the bonded warehouse in Boston as free of duty, and used in the repair of the ship. The ship then sailed in ballast *via* New York to San Francisco for the purpose of obtaining a grain freight to Europe. With a cargo of grain the ship sailed from San Francisco to Havre, thence to New Orleans, thence to Antwerp, thence to Cardiff, and thence to Rio Janeiro, during which voyage this action was commenced. The action is brought to recover the duties on the yellow metal and composition nails, on the ground that the defendants, by sending the ship from New York to San Francisco, had engaged in the coasting trade for more than two months in one year, and thus rendered themselves liable for the duties on which a rebate had been allowed; and on the further ground, that the vessel was not exclusively engaged in the foreign trade.

The tenth section of the act of June 1, 1872 (17 Stats. 238), provides: "That from and after the passage of this act all lumber, &c., and copper and composition metal, which may be necessary for the construction and equipment of vessels built in the

United States for the purpose of being employed in the foreign trade, including the trade between the Atlantic and Pacific ports of the United States, and finished after the passage of this act, may be imported in bond under such regulations as the Secretary of the Treasury may prescribe ; and upon proof that such materials have been used for the purpose aforesaid, no duties shall be paid thereon : *Provided*, that vessels receiving the benefits of this section shall not be allowed to engage in the coastwise trade of the United States more than two months in any one year, except upon the payment to the United States of the duties on which a rebate is hereby allowed : *And provided further*, that all articles of foreign production needed for the repair of American vessels engaged exclusively in foreign trade may be withdrawn from bonded warehouses free of duty under such regulations as the Secretary of the Treasury may prescribe."

The first clause in the section relates to certain materials used in the construction and equipment of vessels built in the United States and finished after the passage of the act for the purpose of being employed in the foreign trade ; and for the purposes of that clause in the section it defines the term "foreign trade" as "including the trade between the Atlantic and Pacific ports of the United States." Materials described in the statute used for the construction and equipment of such vessels may be withdrawn from bond free of duty.

It is well known that vessels engaged in the foreign trade frequently sail from the ports of the United States in which they are built and registered to other ports in the United States to obtain a freight for a foreign port. This is the case with freighting ships built in Northern ports and sailing in ballast to Southern ports for a cargo of cotton. It is well known that such vessels, having discharged their cargo of cotton or grain in foreign ports, seldom return directly to the ports from which they sailed, but frequently take return cargoes of merchandise to New York or other ports, into which the importations are much greater. The result is that vessels engaged in the foreign trade must necessarily sail also very frequently between those ports in the United States where they discharge their foreign cargoes and the other ports from which they load for foreign ports. They must necessarily (unless they go in ballast, and perhaps even then) be engaged during some portion of the year in the coastwise trade.

In view of this necessity, and in view of the fact that the benefits of the statute were only intended to encourage and revive the foreign carrying trade in American ships, the first proviso in the statute fixed the period of two months in any one year as the limit of time during which the ship could engage in the coastwise trade without being subject to the payment of the duties on which the rebate is allowed. This, it was evidently supposed, would cover the time during any year in which the vessel employed in the foreign trade would find it necessary to trade between any two or more home ports. But as no vessel could sail from an Atlantic to a Pacific port of the United States in two months, it is clear that if on making such a voyage the terms of the proviso would compel a payment of the duties, the proviso would nullify that part of the first clause which included the trade between the Atlantic and Pacific ports of the United States in the words "foreign trade." Such a construction would be repugnant to common sense and every established rule for the construction of statutes. The "foreign trade" in the first clause includes the trade between the Atlantic and Pacific ports of the United States.

The coastwise trade in the first proviso as clearly excludes those ports. The term "foreign trade" in the first clause is used in a sense broader, and the term "coastwise trade" in the first proviso in a sense narrower, than the literal meaning of those terms. The terms "foreign trade" are then indisputably defined for the purposes of this section, as including the trade between the Atlantic and Pacific ports of the United States. The second proviso relates to articles of foreign production needed for the repair of American vessels engaged exclusively in foreign trade. Foreign trade has been already defined in the same section, and it was not necessary to repeat the definition in the subsequent clauses. It is clear that the foreign trade in the second proviso is the same foreign trade as that which is distinguished from coastwise trade in the first clause and in the first proviso. It includes the trade between the Atlantic and Pacific ports of the United States. Great stress is laid on the word "exclusively" in this proviso. The proviso only extends the benefit of exemption from duty to articles needed for the repair of American vessels engaged exclusively in foreign trade. What foreign trade is, has already, for the purpose of this section, been clearly defined.

A vessel is engaged exclusively in the foreign trade when she is trading between a port of the United States and a foreign port, or between two foreign ports, or between the Atlantic and Pacific ports of the United States. The word "exclusively" was not used to limit the definition already given to foreign trade, but to limit the benefits of the section to vessels exclusively engaged in that trade, as already defined.

When the articles of foreign production are to be used in the construction of a new ship, the question of exemption from duty is determined by the fact of the ship being built in the United States for the purpose of being employed in the foreign trade. But even if built for that purpose or with that declared purpose, if she afterwards engages in the coastwise trade for more than two months in any one year she forfeits the benefit of the exemption. In the case of new ships that had not been engaged in any trade, the question was one of intent and purpose of construction. To prevent fraud on the act by building a vessel with a declared purpose of engaging her in foreign trade, and after obtaining remission of duty on the materials used in her construction and equipment, employing her in the coastwise trade, the first proviso was added providing for payment of duties in case of coastwise trade beyond a limited time. In the case of the vessel already built, the question is not one of purpose and intent, but one of past employment. Whether she is entitled to the benefit of exemption of duty depends upon the question of her employment. If engaged in the coastwise trade exclusively, she is not entitled. If engaged indifferently in the coastwise or foreign trade as opportunity is presented or interest may dictate, then she is not entitled. If engaged exclusively in the foreign trade she is entitled, and that foreign trade is the foreign trade defined in the section as including the trade between the Atlantic and Pacific ports. If the word "exclusively" were not used, a shipowner might claim exemption from duty on materials used in the repair of a vessel which was engaged both in coastwise and in foreign trade, or he might take his vessel from the coastwise trade and employ her in a foreign voyage, and on her return repair and recopper her, and claim that the materials were free of duty because she was then engaged in a foreign trade, or under charter for a foreign voyage. To prevent such perversions of the policy of the statute, the word "exclusively" was used to

show that the benefit of the statute was applicable only to materials used in the repair of vessels employed in foreign trade, and in foreign trade only.

In the sense in which those terms are used in the tenth section of the act of 1872, the *Matterhorn* was employed exclusively in the foreign trade, and the materials taken out of bond and used in repairing her were entitled to exemption from duty. If the second proviso is to be construed, as is suggested by the attorney for the United States, as in fact not a proviso affecting the construction or operation of the general provisions in the preceding part of the section, but as a separate and distinct enactment in relation to a different subject, the same result would follow. If that clause is to stand alone, without any reference to the clauses preceding it in the same section, then, if the vessel were a vessel engaged in the foreign trade when the repairs were made, the articles used in the repairs were free of duty. Whatever employment the vessel might subsequently be engaged in would not forfeit the right to exemption to duty under that clause alone without reference to what precedes it. The *Matterhorn*, up to the time when the repairs were made, had been engaged exclusively in the foreign trade in its literal sense. The materials used in her repair were entitled to exemption. If by reason of her subsequent employment in a voyage between an Atlantic and a Pacific port of the United States it is claimed that the duties which had been rebated became payable, it must be by reason of what is contained in the previous clause, but, as we have already seen, the previous clause does not embrace such a voyage in the coastwise trade.

Judgment for defendants.

MASSACHUSETTS DISTRICT.

OCTOBER, 1874.

UNION PAPER COLLAR COMPANY v. EMERSON LELAND.

Where the specification of a patent for ornamented paper collars and cuffs in imitation of linen or other fabric, especially for ladies' use, points out that by the described mode of manufacture, the surface of the linen or fabric will be imitated, as well as the ornaments, the patent may lawfully be reissued so as to claim the imitated surface instead of the imitated ornaments, and collars generally, as well as those to be worn by ladies.

Paper collars and cuffs, and paper embossed in various modes, some of which were imitations of textile fabrics, being known in the art, there is no patentable novelty in the application of paper embossed in imitation of linen to the making of collars and cuffs.

BILL in equity for an injunction to restrain alleged infringement of reissue letters-patent, dated Jan. 24, 1873, for paper collars and cuffs, granted W. E. Lockwood; and for an account.

W. G. Russell, for complainant.

A. J. Robinson, for defendant.

LOWELL, J. This suit is brought to restrain the infringement of the second reissue of W. E. Lockwood's patent of 1859; this reissue being granted in 1873. The specification declares the invention to consist of a collar or cuff having a paper surface, imitative of the textile surface of a collar or cuff of textile fabric; that in carrying out his invention, Lockwood uses a fabric composed of paper and muslin, or equivalent fabric, having a smooth white polished or enamelled paper surface to represent that of starched linen. It then describes one mode of making the imitation of a linen or muslin surface by dies, but does not claim or limit the invention to any particular appliances or machinery for embossing the fabric. The claim is for a collar having a paper surface imitative of the textile face and fibre of a dressed linen collar, as set forth.

The first objection taken is, that the reissue is for a different invention from that described in the original patent. The patent

appears to have been intended to apply to ornamented collars and cuffs, especially those for ladies' use; but the description of the mode of obtaining the result points out that the surface of the linen or other textile fabric will be imitated as well as the ornaments; and we see no reason why the patent might not lawfully be reissued, so as to claim, as it now does, the imitated surface instead of the imitated ornamented cuffs and collars generally, as well as those to be worn by ladies. There is no repugnancy nor any introduction of a new invention.

The case turns on the question of novelty. It appears by the case brought by this plaintiff against Van Deuzen, reported 5 Fish. 597, and 10 Blatch. 109, that the claim of the first reissue of this patent was for an embossed collar or cuff made of a fabric composed of paper and muslin, or an equivalent fabric. This was held to be no patentable novelty. Judge Blatchford says: "But, as like embossing had been done on starched linen, the result of producing such embossing on a smooth, white, polished or enamelled surface, representing that of starched linen, cannot be patented as an invention, when nothing is claimed as new in the appliance, machinery, or process for producing the embossing. A starched linen collar, with its surface embossed, existed before. There was nothing of patentable novelty in the idea that, the imitative surface being provided, it would be well to emboss it. The patent does not claim the invention of the imitative surface, or of any means of producing it."

It will be seen that the present form of the patent follows the suggestion, if it be one, of the court, and does lay claim to the imitative surface itself as used for making collars, and thus avoids, as is contended, the reasoning of that case. But the evidence in the case at bar discloses that paper as well as linen was embossed in various modes and for many uses before the date of Lockwood's patent. There is the English patent of De La Rue, taken out in 1834, for embossing paper in parallel lines; and one granted to John Eyans, in 1854, for ornamenting paper with an imitation of the patterns of textile fabrics. It may be doubted whether Evans produced upon his paper the surface, as well as the ornaments, of textile fabrics; but there is proof that paper made in imitation of such fabrics, including linen, was well known and in use for paper-hangings and some other purposes. Samples are produced from papers actually made before 1859 which are of this character.

It is said that these imitations are not very well done ; but they appear to have been accepted as good enough for the purposes for which they were used ; and the patent is not for any improvement in the imitation, or in the mode of producing it.

Collars and similar articles made of paper were patented to Walter Hunt in 1854, as a new manufacture, and Lockwood was the owner of this patent when he made the improvement now in controversy.

In this state of the art, collars and cuffs made of paper being known ; and paper embossed in various modes, some of which were imitations of the surface of textile fabrics, being known ; we are of opinion that there was in 1859 no patentable novelty in the application of paper embossed in imitation of linen to the making of collars and cuffs. *Hotchkiss v. Greenwood*, 11 How. 248.

The evidence in the record goes even beyond what we have already mentioned, and renders it probable that paper embossed in imitation of a linen surface was used for collars and cuffs long before the date of the alleged invention, and that such articles were offered for sale in New York, and known to several persons. It is true that they were not found to be acceptable to the trade, and they had very probably been forgotten ; but they were imitations of linen, and the reasons which operated to prevent their general use were of a commercial and economical character.

Bill dismissed, with costs.

OCTOBER, 1874.

UNION PAPER-BAG MACHINE COMPANY v. LUTHER CRANE *et al.*

After decision by the Patent Office of an interference between an applicant for a patent and the grantee of a patent theretofore issued, granting a patent to the applicant as the prior inventor, suit was brought in the Circuit Court by his assignee of the patent to have the interfering patent declared void. *Held*, 1. That the decision of the Patent Office in the interference was not conclusive upon the question of priority of invention ; 2. That the defendants were not, by the statement of the date of his invention made to the Patent Office by the patentee, their assignor, estopped to show that his invention was in fact made at an earlier date.

LOWELL, J. The bill is brought under sect. 58 of the consolidated patent act of 1870 (16 Stats. 207), alleging that the

complainant owns a patent granted to it Dec. 24, 1872, as assignee of Lorenzo D. Benner, for an improvement in paper bags, of which said Benner was the original and first inventor; that the defendants hold a patent, dated Feb. 20, 1872, for an improvement alleged to have been invented by Luther C. Crowell; that the patents interfere; and the complainant prays that the patent of the defendants may be declared void. The answer denies that Benner was the original and first inventor of the improvement patented to the complainant; insists that Crowell was the inventor of that held by the defendants; does not explicitly confess or deny the interference between the two; and concludes with a prayer that the complainant's patent may be adjudged void.

It appears, on a comparison of the specifications, that they describe and claim the same invention, and the evidence proves that the complainant intended that its patent should cover the same ground as the defendants'. The Patent Office decided in favor of the complainant, after an interference had been regularly declared with Crowell's patent, which had already issued; upon that hearing Crowell produced no evidence excepting his own statement, and Benner examined several witnesses, and both parties were heard in argument.

Two points of law are taken by the complainant: 1. That the decision of the Patent Office is final between these parties. 2. That the defendants are estopped by the statement made by their assignor, Crowell, to the Patent Office, respecting the date of his invention, to introduce evidence in this cause, carrying his invention back to an earlier time than that which he specified in that statement.

1. The decision of the Patent Office is never final upon the question of the novelty or priority of an invention. The rule may have been adopted at first from a consideration of the *ex parte* character of the proceedings at Washington, but it has never been confined, as is now maintained by the complainant, to cases in which no contest was had; and it is obvious that it cannot be so limited, because if one party to an interference is concluded as against the other party, the result may be that a patent is valid as against him which is void as against all the rest of the world. If, for instance, Crowell's invention was in fact earlier than that patented to the complainant, the later patent is conceded to be void as against every one who had no hearing before the Patent

Office, while the defendants' patent would be void as against the complainant, and all persons claiming under it; so that the only person who could not practise the invention would be he who had made it, and his assigns.

The statute is not ambiguous. It gives a court of equity power to decide between interfering patents, without any exception or limitation. This is substantially a re-enactment of sect. 16 of the act of 1836, under which Mr. Justice Nelson is said to have decided the very point. *Atkinson v. Boardman*, Law's Dig. p. 666, sect. 16, 3. By the act of 1793, interfering applications were to be passed upon by three arbitrators, and upon this act Mr. Justice Story said: "The award or decision of the arbitrators would have been final between the parties only so far as respected the granting of the patent. . . . The sole object of such an award is to ascertain who is *prima facie* entitled to the patent. But, when once obtained, it is liable to be repealed or destroyed by precisely the same process as if it was issued without objection." *Stearns v. Barrett*, 1 Mas. 173, 174. Upon reasoning and authority then, the new patent granted after a hearing merely makes out a *prima facie* case for the complainant, shifting the presumption that would otherwise exist from the earlier date of the defendants' deed.

2. There is no ground for holding the statement of Crowell an estoppel. It was not made to the complainant, nor intended to influence its action, and the evidence is clear that it did not act upon it.

We have examined with great care the evidence concerning priority of invention, and are of opinion that Crowell was the true and first inventor. He neglected his case before the Patent Office; and the examiners were led to believe that he might have obtained hints or suggestions from the drawings of Benner for a patent which was issued to him a short time before that of Crowell. It is true those drawings were left with Mr. Coffin, one of the persons interested in Crowell's invention, and in the shop where Crowell was at work on his machines; but the evidence in this case does not prove that any use was made of them, but tends to prove the contrary. But a wholly decisive consideration, as to which the course of proceedings before the Patent Office led the examiners into error, is that those drawings do not contain the invention, and, if they had been seen and studied by

Crowell, would be no answer to his claim of priority. This is now admitted by the complainant, and was well known to it while the interference was going on, as appears by a letter from its counsel to the president of the company, which it has printed at p. 41 of the record. As the argument before the Patent Office is not given, we do not know whether the admission was made at that time; but the fact that the decision was very largely influenced by this mistake is shown by the record, and must detract much from the weight of the adjudication.

Upon the principal point of fact we are well satisfied not only that Crowell's invention was actually made by him, but that it was completed in 1867. The complainant, not denying that Crowell made the invention, insists that he was not the first inventor, and has introduced evidence which it relies upon to prove that Benner made it in 1868, and that Crowell was not earlier than 1871. The defendants, on the other hand, insist that they have thrown doubt upon the claim of Benner to have made the invention at all, though he may have approached it. As we are satisfied that Crowell really made the invention before Benner or any of his witnesses says that Benner made it, we have not examined the question whether Benner ever made it at all.

Decree for defendants.

George Harding, T. W. Clarke, for complainant.

T. L. Livermore, for defendants.

OCTOBER, 1874.

THOMAS E. MURPHY *et al.* v. LAURENT KISSLING.

The patent granted John Dwyer, administrator of Francis McLaughlin, Jan. 11, 1870, for an improved brush, held valid, and infringed by a brush of substantially the same construction, though different in form.

SHEPLEY, J. This bill in equity is brought for an alleged infringement of the letters-patent granted for the invention by Francis McLaughlin of an improved brush. So far as the defence set up of want of novelty in the invention relates to the evidence introduced by defendant of the Mongani patent, and the rejected

applications of Williams and Crittenden, it has been fully considered in the case of *Murphy v. Eastham*, *ante*, p. 113. The defendant also sets up, as anticipating the invention of McLaughlin, a door-stop made and used and sold by D. C. Smart. Smart's door-stop had an angular groove in it, with a rubber ring fitting therein in the same manner as in the brush-head in the McLaughlin invention. It was not new at the date of the McLaughlin invention to put a rubber ring into an angular groove. What was new was his combination of a brush-head with an angular groove and a rubber ring fitting therein, whereby the elements of the combination operated together and jointly in the function of the brush. The infringement in this case is clear. Defendant uses a rubber ring fitting into an angular groove in the brush-head in the same manner as in the McLaughlin patent. He claims that his rubber ring performs another function also: that as he extends his rubber ring by a flange between the two surfaces of the two parts of the brush-head where they unite at the bottom of the groove as his brush is constructed, the rubber forms a packing which makes the joint tight. This would be only an improvement at best upon the McLaughlin invention. But if the groove in the McLaughlin brush be made square, and an elastic band be used fitting this square groove, it would act in the same way as a packing to exclude the water from the joint, if the joint was at the bottom of the groove. This is one of the forms of McLaughlin's invention, and is shown in exhibit G. This is a clear case of an attempt to evade infringement by a change of form merely.

Decree for injunction and account.

J. L. Newton, for complainants.

J. T. Wilson, for defendant.

OCTOBER, 1874.

CHARLES S. BRADLEY *et al.* v. HENRY N. FARWELL *et al.*

The directors of an insolvent corporation, while it is under their management, hold the position of trustees of its assets for the benefit of its creditors, and, if themselves creditors, cannot secure to themselves any preference or advantage over other creditors.

A transfer of the assets of an insolvent corporation, according to vote of its directors, to a partnership of which one of the directors is a member, made more than six months before proceedings in bankruptcy against the corporation, as payment of, or security for, a debt due the partnership from the corporation, to the prejudice of other creditors, may be set aside, and the property so transferred recovered, in a suit in equity for that purpose brought by the assignees in bankruptcy of the corporation.

BILL in equity by the assignees in bankruptcy of the Boston, Hartford, and Erie Railroad Company, to recover property of the corporation alleged to have been transferred to the defendants (then partners), to secure a claim of the partnership against the corporation, in pursuance of votes of the board of directors of which the defendant Farwell was a member, after the corporation had become insolvent, and in fraud of its creditors. The defendants filed a general demurrer to the bill. The material facts of the case are stated in the opinion.

C. S. Bradley, J. J. Storrow, for complainants.

It is well settled that the managing officers and directors of a corporation hold relations of trust towards the individuals interested, and that the rules of courts of equity with regard to the administration of trusts apply to such officers. They are not trustees in the narrow sense of being intrusted with the legal title to property. They are intrusted with large general powers of control and management. It is with regard to the exercise of these powers that their character and responsibilities are similar to those of trustees, and that the law of trusts applies. *Benson v. Heathorn*, 1 Younge & Coll. Ch. 343; *Bowers v. Toronto*, 11 Moore P. C. 518, 522; *European & N. A. R. R. Co. v. Poor*, 59 Me. 277; *Heath v. Erie R. R.*, 8 Blatch. 394; *Dodge v. Woolsey*, 18 How. 341; *Hayes v. Kenyon*, 7 R. I. 142.

The cardinal doctrines relating to all fiduciary relations, and particularly to the powers and duties of corporation managers, are, that the trust shall be exercised; (1) in good faith and honesty; (2) in furtherance of its true purpose; (3) in no respect for the personal advantage of the trustee.

In this case it is clear; (1) that two of the defendants, while holding positions of trust, received an advantage, not only in preference to, but to the exclusion of, other persons similarly situated with reference to the property of this corporation; (2) that this property was transferred from the corporation to them by means of the exercise of those powers of control and manage-

ment which had been intrusted to them in common with others; (3) that they were not only cognizant of, but as such trustees actively participated in, that exercise of the trust powers which gave them this private gain.

The question is, whether, when a corporation has become insolvent, it is competent for the directors to transfer to one or more of their number, who are creditors, all the assets of the corporation substantially, to the entire exclusion of other creditors.

The doctrines of equity already stated answer this question. *Curran v. State of Arkansas*, 15 How. 304; *Koehler v. Black River Falls Co.*, 2 Black, 715; *Drury v. Cross*, 7 Wall. 299; *Richards v. N. H. Ins. Co.*, 43 N. H. 263; *Paine v. Lake Erie R. R. Co.*, 31 Ind. 353; *Gas Light Co. v. Terrell*, 10 L. R. Eq. 168, 176; *Sykes's Case*, 13 L. R. Eq. 255; *Gilbert's Case*, 5 L. R. Ch. 559.

This is a bill in equity; and repeated adjudications in England have established that contracts between a corporation and its directors, which are good at law and under the express provisions of the joint-stock companies' act of 1845 and 1862, are invalid in equity, upon the principles of the law of trust as administered in chancery. *Foster v. Wolverhampton R. R. Co.*, 13 C. B. 200; Wordsworth's Joint-Stock Companies, App. 128 (ed. 1865); *Aberdeen R. R. Co. v. Blakie*, 1 McQueen, 461; Wordsworth's Joint-Stock Companies, p. 159 (ed. 1865); *Southampton Dock Co. v. Southampton Harbor Board*, 14 L. R. Eq. 263.

Benj. F. Butler, for defendants.

The bill nowhere sets out that the bonds and assignment, or either, now are, or at the time of demand or filing of the bill were, in possession of the defendants. Nor in what the alleged fraud against creditors consists, or the means or intent with which it was done, except the fact of insolvency of the road at the time of the transfer of the securities. Nor that the defendant Farwell acted or voted in the meetings of the executive committee, or at the meeting of the directors, upon the claim or in the matter in which he was interested; and the recital as to his and Hall's connection with the road would seem to be only for the purpose of inferentially affecting defendants with the knowledge of the insolvency of the bankrupt at the date of the transaction, although that is alleged afterwards specifically.

The question presented by the demurrer is; Are there any

such allegations of fact as show a fraud upon the creditors by Farwell & Co., either at common law or within the provisions of the bankrupt act?

The bill does not deny that A. G. Farwell & Co. were *bona fide* creditors of the bankrupt in a much larger amount than the collateral security received, but admits the same; does not deny the regularity of the meeting at which the accounts between the parties were settled, or the proper auditing of those accounts, but admits the same.

The case, then, is presented of a transfer of property more than nine months before the petition in bankruptcy, by the bankrupt while insolvent, as security to a creditor having then present claims, the security being less in amount than the indebtedment of the insolvent, without any allegation of contemplated bankruptcy. Taking the strongest view of the transaction, such a proceeding was only a preference by an insolvent debtor of one of his creditors. It is submitted that such preference is not void or fraudulent at common law. This is believed to be so well settled as not to need citation of authorities. *Hale v. Allmett*, 36 Eng. Law & Eq. 383.

Such preference is not against the bankrupt law. To constitute a fraudulent preference under the bankrupt act, and voidable by the assignees, it must be shown to have been made within four or six months of the filing of the petition; that it has been made with a view to give a preference; that the debtor must be in fact insolvent; that the person receiving the conveyance must have reasonable cause to believe the debtor insolvent; and that the conveyance was made in fraud of provisions of the bankrupt act, and in view of contemplated bankrupt proceedings.

Contemplation of bankruptcy is settled to mean something more than insolvency.

The act of the bankrupt in making the preference must be voluntary, and not made under pressure of demand from the creditor. Such preferences have always been held to be involuntary where made either by threat of suit by the creditor, or where payment has been requested with the present ability of the creditor to bring suit.

The time of four months, fixed by the thirty-fifth section of the bankrupt act, during which all preferences made by the bankrupt are void; and conveyances made for a like purpose by the bank-

rupt, being insolvent or in contemplation of insolvency, within six months before filing a petition, with the limitation that such transfer or conveyance is made with a view to prevent his property coming to his assignee or being distributed under the act, is an exclusion of all payments or transfers made under like circumstances before the time limited by the act. Otherwise, the words of limitation would be valueless.

SHEPLEY, J. This case is presented on demurrer to the bill in equity. The complainants allege that the Boston, Hartford, and Erie Railway Company, a corporation duly established by law, was, upon the second day of March, 1871, duly adjudicated a bankrupt, upon a petition in bankruptcy duly filed, before the District Court of the United States for the District of Massachusetts sitting in bankruptcy, on the twenty-second day of October, 1870. The bill alleges the appointment of the complainants as assignees, and their acceptance of and qualification under the trust; that the defendants, Henry N. Farwell, Asa Farwell, and Samuel Hall, Jr., composed the firm of A. G. Farwell & Co.; that Henry N. Farwell was a director in the Boston, Hartford, and Erie Railroad Company from July 17, 1867, to Dec. 21, 1869, and vice-president thereof, and a member of the executive committee of said board of directors; that between the thirtieth day of November, 1869, and the ninth day of December, 1869, the defendants presented to the treasurer and the executive committee of said corporation an account of certain transactions between the defendants in their firm of A. G. Farwell & Co., and the corporation, claiming therein and thereby an amount due to them from the corporation of over a million dollars; that said account was presented at a meeting of the executive committee on the eighth day of December, 1869, at which meeting the defendant, Henry N. Farwell, was present as a member of the committee; that at said meeting the executive committee voted "*nem. con.*" to approve the accounts of A. G. Farwell & Co. with the corporation, and directed the treasurer to settle with them on the basis of said items, and also voted to instruct the treasurer to settle the account of A. G. Farwell & Co., thus approved, by giving four notes for the sum of two hundred thousand dollars each, one on demand, and three others on time, with interest, and to place as collateral to said notes seven hundred thousand dollars in Berdell bonds. The bill further

charges that a meeting of the executive committee was held on the ninth day of December, 1869, Henry N. Farwell being present as a member thereof, at which meeting a vote was passed instructing the treasurer to draw an order on Baring Brothers for any amount due, or that may become due, on the three millions of bonds of the State of Massachusetts by the corporation committed to them for negotiation or sale, in favor of A. G. Farwell & Co., said amount drawn for to be collateral to the claims said Farwell & Co. held against the corporation; that subsequently at a meeting of the directors, said Farwell being present as a director, it was first voted to approve all the doings of the executive committee shown on their records; that then the resignation of said Farwell as director was presented but not accepted, and it was voted to lay the same on the table; that then a vote was passed instructing the treasurer to draw an order on Baring Brothers & Co. in favor of A. G. Farwell & Co., for any amount due, or that may be due, in their hands to the credit of the company, growing out of any sales made or that may be made of the scrip delivered to the company by the State of Massachusetts, under the act of May 27, 1867, over and above eighty per cent sterling on said bonds, such amount when received to be collateral to, or as payment of, the claims of Farwell & Co. against the company; that, on the seventeenth day of December, Hall, one of the defendants, acting as treasurer of said corporation, in pursuance of the foregoing votes, and having no other authority, executed and delivered to the firm of A. G. Farwell & Co. the notes specified in the vote of Dec. 8, 1869, and delivered also to them the seven hundred thousand dollars of bonds described in said vote, and also a draft on Baring Brothers & Co. for the proceeds of the sale of the scrip delivered to the company by the State of Massachusetts over and above eighty per cent sterling on said bonds. The bill further charges, that from and after the first day of January, 1869, until after all said acts before charged, the said Henry N. Farwell was, and continued to be, and acted as, a director in said company, and as a member of the executive committee, and attended a meeting of said committee on the eighteenth and a meeting of the directors on the twentieth of said December; that on the thirtieth day of November, 1869, and long prior thereto, and ever since, the said corporation was and has been utterly insolvent and bankrupt, and did not pay, and was unable to pay,

and has not since paid, its debts; and that for a period of more than fourteen days prior to said day it had failed, refused, and been unable to pay its commercial and business paper, and was insolvent in fact, and bankrupt within the meaning of the bankrupt act of the United States. The bill then charges that between the first and seventeenth days of December, 1869, the corporation was largely indebted, and had no personal property except the bonds aforesaid and the funds in the hands of the Barings, except such as was mortgaged for more than its value. By reason of all which it is alleged that the transfers and assignments aforesaid were made and received in fraud of the creditors of said bankrupt corporation, whereby it is alleged, by force of the fourteenth section of the bankrupt act and otherwise, and by force of the principles by which courts of equity act, the same became and now are vested in the complainants.

The case presented in the bill is that of a transfer or attempted transfer by the directors of an insolvent corporation to one of their own number, as security for a debt due to him from the corporation, of all the available assets of the corporation, more than nine months before the petition in bankruptcy. The time which elapsed after this preferential payment to one creditor before the commencement of the proceedings in bankruptcy exceeds the time limited in the thirty-fifth section of the bankrupt act, during which all preferences made by the bankrupt are voidable. The transfer cannot therefore be declared void under the provisions of that section. If the transaction was, as contended on the part of the defendants, nothing more than a preference by an insolvent debtor of one of his creditors, such preference is not void or fraudulent at common law, and, with no other element of trust or fraud in the case, will not be set aside by a court of equity.

The real issue presented for the consideration of a court of equity in this case is, whether the managing officers and directors of this insolvent corporation held such a relation of trust to the funds of the insolvent corporation for the benefit of creditors and all persons and parties interested, that, according to the principles applied by courts of equity to cases of like trusts, they are to be held guilty of a breach of trust by securing an advantage to themselves not common to the other creditors, and by providing for the payment of a debt, or a large part of the debt, due to a

director from the assets of the corporation, to the entire exclusion of the payment of any and all other debts due from the corporation.

Courts of equity were established for the purpose, among others, of enforcing the execution of such matters of trust and confidence as are binding in conscience, though not cognizable in a court of law. Such courts will not permit trustees, in the exercise of the powers of their trust or in dealing with the trust estate, to obtain any benefit or advantage for themselves to the injury or prejudice of those for whom they are acting in the fiduciary relation, or to protect, indemnify, or pay themselves at the expense of those who are similarly situated in relation to the fund. The trustee is an agent acting for others, and he cannot be permitted to act adversely to his principals. To guard against the hazard of abuse of the trust and to remove the trustee from temptation, the rule in equity permits the *cestui que trust* at his own option, and without showing essential injury, to set aside the transaction where the trustee is both vendor and vendee, upon the ground that, however innocent the purchase may be in the given case, it is poisonous in its consequences.

The relation between the directors of a corporation and its stockholders is that of trustee and *cestui que trust*. *Butts v. Wood*, 38 Barb. 188; *York & Midland Railway Co. v. Hudson*, 19 Eng. Law & Eq. 365; 16 Beav. 485; *Scott v. Depeyster*, 1 Edw. Ch. 513; *Verplank v. Mercantile Ins. Co.*, 1 Edw. Ch. 85; *Great Luxemburg Railway v. Magnay*, 25 Beav. 586; *European & North American Railway Co. v. Poor*, 59 Me. 277; *Benson v. Heathorn*, 1 Younge & Coll. Ch. 343; *Sawyer v. Hoag*, 17 Wall. 610; *Aberdeen R. R. Co. v. Blaikie*, 1 McQueen, 461.

As directors are intrusted with the general management and control of the affairs and property of the corporation, this management and control must be exercised by them in the character of trustees, and subject to responsibilities under the law of trusts imposed upon those who have assumed, and are consequently under obligation faithfully to execute, a trust. They are not merely trustees for the stockholders. Without considering their duties and obligations in other respects to the State, the community, and other parties interested who may resort to courts of law or equity to compel a faithful performance of their trust, we need now only consider, in the case of an insolvent corporation,

what their relation is to the creditors of the corporation and to the funds available for the payment *pro tanto* of corporate debts.

In case of the insolvency of a corporation, its assets become a trust fund for the benefit of creditors while under the management of its officers. In *Curran v. The State of Arkansas*, 15 How. 307, Mr. Justice Curtis, delivering the opinion of the court, speaking of an insolvent banking corporation, says: "The assets of such a corporation are a fund for the payment of its debts. If they are held by the corporation itself, and so invested as to be subject to legal process, they may be levied on by such process. If they have been distributed among stockholders, or gone into the hands of other than *bona fide* creditors or purchasers, leaving debts of the corporation unpaid, such holders take the property charged with the trust in favor of the creditors, which a court of equity will enforce, and compel the application of the property to the satisfaction of their debts. This has often been decided, and rests upon the plainest principles."

Was the property of this insolvent corporation transferred to Farwell & Co. under such circumstances as relieved it from the trust in favor of the creditors? Unquestionably the transaction cannot be considered as a breach of trust or as a constructive fraud, merely on the ground that it was a preference of one creditor over the other creditors of the corporation. Simply on the ground of such a preference the transaction is not subject to be impeached at common law, or, under the circumstances of this case, under the provisions of the bankrupt act. If Farwell & Co. take this property charged with a trust in favor of the creditors which a court of equity will enforce, it is not upon the ground that as creditors alone, in their capacity as creditors, they were preferred creditors, but on the ground that, in the trust relation they held to the corporation and its funds, they could not equitably, by virtue of that relation, and in the exercise of the trust powers, secure for themselves such a benefit, advantage, and preference over other creditors with like claims, as any other creditor who stood in no trust relation to the fund might legally and equitably secure. In the case of *Koehler v. The Black River Falls Co.*, 2 Black, 720, where the directors of a corporation in embarrassed circumstances had secured debts due to three or four of their own number to the prejudice of other creditors, Mr. Justice Davis, in delivering the opinion of the Supreme Court of

the United States, says: "Directors cannot thus deal with the important interests intrusted to their management. They hold a place of trust, and by accepting the trust are obliged to execute it with fidelity, not for their own benefit, but for the common benefit of the stockholders of the corporation. In executing this mortgage, and thereby securing to themselves advantages which were not common to all the stockholders, they were guilty of an unauthorized act, and violated a plain principle of equity applicable to trustees." In *Drury v. Cross*, 7 Wall. 299, where directors of a corporation had secured, with the property of the corporation, the debts upon which they were liable as indorsers, by a conveyance which operated to deprive all the other creditors of any security, the court say: "The transaction which this case discloses cannot be sustained in a court of equity. The conduct of the directors of this railroad company was very discreditable and without authority of law. It was their duty to administer the important matters committed to their charge for the benefit of all parties interested, and in securing an advantage to themselves not common to the other creditors they were guilty of a plain breach of trust. To be relieved from their indorsement they were willing to sacrifice the whole property of the road. Bound to execute the responsible duties intrusted to their management with absolute fidelity to both creditors and stockholders, they nevertheless acted with a reckless disregard of the rights of creditors as meritorious as those whose paper they had indorsed."

That a court of equity will not suffer an injury to the creditors or stockholders, resulting from such a breach of trust on the part of the directors, to pass without a remedy, is well settled in the most carefully considered decisions of courts of equity, both in England and this country. *York & North Midland Railway Co. v. Hudson*, 19 Eng. Law & Eq. 361; *Charitable Corporation v. Sutton*, 2 Atk. 404; *Gas Light Co. v. Terrell*, 10 L. R. Eq. 168; *Gilbert's Case*, 5 L. R. Ch. App. 559; *Sykes's Case*, 13 L. R. Eq. 255; *Hodges v. New England Screw Co.*, 1 R. I. 340; *Richards v. N. H. Ins. Co.*, 43 N. H. 263; *Nathan v. Whitlock*, 3 Edw. Ch. 215; s. c. 9 Paige, 152; *Hightower v. Thornton*, 8 Ga. 493; *Nevitt v. Bank of Port Gibson*, 6 Sm. & Marsh. 513; 2 Story, Eq. Jur. sect. 1252; *Sawyer v. Hoag*, 17 Wall. 610.

Such a result necessarily follows when it is admitted that the directors of a corporation are trustees, and, that in case of an

insolvent corporation the property of the corporation, while under the management of these trustees, is a trust fund for the benefit of creditors. The fiduciary relation between the directors and the creditors being established, and the fact that the trustees in dealing with the trust fund have secured to themselves a benefit or advantage over the creditors, or a benefit or advantage to themselves as creditors over and above the other creditors, taints the transaction and invokes the aid of a court of equity to see to the right execution of the trust. Not that the trustees cannot prefer one creditor to the others at common law and outside of the provisions of the bankrupt act, but that, in equity, a trustee cannot contract with himself as he may with third parties. If he exercises in his own favor the powers he may rightfully exercise in favor of another, the court does not stop to inquire whether he gained or lost. It is enough that the beneficiary is dissatisfied with the transaction for the court to set the transaction aside without requiring the beneficiary to prove actual loss or actual fraud. The principles applicable to such cases are well stated in the case of *European & North American Railroad Co. v. Poor*, above cited. In that case, Chief Justice Appleton says: "It is not that in particular instances the sale or the purchase may not be reasonable, but, to avoid temptation, the agent to sell is disqualified from purchasing, and the agent to purchase, from selling. In all such contracts the sales or the purchases may be set aside by him for whom such agent is acting. The *cestui que trust* may confirm all such sales or purchases, if he deems it for his interest. The affirmance or disaffirmance rests with him; and the trustee when buying trust property from, or selling it to, himself, must assume the risk of having his contracts set aside if the *cestui que trust* is dissatisfied with his action."

It is true that the directors do not hold the title to the corporate property in trust. The title is in the corporation; but their power of management, disposition, and sale is a trust power, and the same principles apply to the execution of trust powers as to the dealings with trust estates. In *Sawyer v. Hoag*, Mr. Justice Miller, speaking of the doctrine that the capital stock of a corporation is a trust fund for the benefit of the general creditors of the corporation as a doctrine of modern date, very pertinently adds: "When we consider the rapid development of corporations as instrumentalities of the commercial and business world in the

last few years, with the corresponding necessity of adapting legal principles to the new and varying exigencies of this business, it is no solid objection to such a principle that it is modern, for the occasion for it could not sooner have arisen." The doctrine, however, is not a modern doctrine in courts of equity. What is of comparatively modern date is the application of old and well-settled doctrines of equity applicable to the exercise of trust powers and duties to the new state of facts growing out of the rapid development of corporations. As new trusts are created, courts of equity apply to the modern trusts the ancient principles applicable to all trusts in the same manner as, when railways and telegraphs were first constructed, courts both of law and equity applied to railway and telegraph companies the same principles they had previously applied to like corporate bodies.

The vast increase of corporate property and the immense accumulation of corporate liabilities at the present time, and the consequent dependence of both stockholders and creditors upon the fidelity with which the managers of these corporations exercise the powers of their trust, would seem imperatively to require that the salutary rules so rigidly enforced by courts of equity in other cases of fiduciary relation should not be relaxed in this class of cases, where the trust powers are of such magnitude and the consequences of a breach of trust so disastrous. Especially in the case of insolvent corporations are the acts of the managing officers to be free from the imputation of having been influenced by the consideration of any interests adverse to those they are bound only to regard. Standing in a fiduciary relation, as it were at the bedside of a dying patient, if they are subsequently found in possession of a portion of his effects, they must show title by a conveyance untainted by the exercise of that power which the trust relation gave them to influence the disposition made by the decedent of his property in their favor and to the prejudice of others having equal claims to the inheritance. If it be claimed, as it seems practically in some cases to be claimed, that directors occupy a position where they have an opportunity and a right to protect first their own interests, the answer to be given is the one which was given to a similar claim which was set up in defence in the case of *Gas Light Co. v. Terrell*, previously cited. There the court answered that a preference to a creditor who was a stranger was only an undue preference, while the preference of a

director who was also a creditor introduced the added element of a taint of fraud and a breach of trust. The court add: "Suppose that the director had been a partner of a creditor who required to be paid, and he got the benefit of the payment through his partner, would anybody doubt that there was a tincture of fraud in his getting the benefit by means of undue preference? It is the directors who make the order for the payment. I am of opinion that this fact only makes the case worse, and compels this court to direct the whole transaction to be set aside."

The acts complained of in the bill were acts of the directors when one of the partners affected by them was present and acting as a director, and either co-operating, or consenting, or acquiescing, in the acts charged. They were such acts as, upon the principles hereinbefore stated, could be treated as void by the corporation or the creditors if they did not deem it for their interest to acquiesce in the action of the directors.

This right which the beneficiaries of the fund had to set the transaction aside is one which is vested in the assignees. "The statute is full of authority to him (the assignee) to sue for and recover property, rights, and credits, where the bankrupt could not have sustained the action, and to set aside as void transactions by which the bankrupt himself would be bound. All this, of course, is in the interest of the creditors of the bankrupt." *Sawyer v. Hoag*, 17 Wall. 620.

Demurrer overruled.

RHODE ISLAND DISTRICT.

OCTOBER, 1874.

CHARLES F. PIKE v. THE PROVIDENCE AND WORCESTER
RAILROAD COMPANY *et al.*

An invention of a spark arrester and consumer for locomotives, which consists in the combination of a blast-pipe with a return-flue, so arranged that the sparks are driven by the blast in a continuous current through the flue from the smoke-pipe back into the fire-chamber without resting, is not anticipated by prior spark-

arresters which, though in some respects of construction the same, were not practically effectual to produce a continuous current carrying the sparks into the fire-chamber without resting.

A patent for a spark arrester and consumer for locomotives, which consists in the combination of a blast-pipe with a return-flue, so arranged that the sparks, &c., are driven by the blast in a continuous current through the flue from the smoke-pipe back into the fire-chamber, is infringed by the use of a spark arrester and consumer consisting of a blast-pipe and two return-flues, so arranged that the sparks are carried by the blast into the fire-chamber in a continuous current through the flues without resting, although the current is accelerated, and the combustion of the returned sparks is aided, by a current of air brought into the return-flues by an additional device.

SHEPLEY, J. The invention in question in this case relates to improvements in spark-arresters and consumers for locomotive engines.

The complainant is the assignee of letters-patent, No. 120,637, granted Nov. 7, 1871, to George H. Griggs, and reissued in two divisions Sept. 10, 1872; Division A, No. 5,050 being for the method of controlling, driving, and finally utilizing as fuel the sparks or unconsumed products of combustion, which are driven from a smoke-pipe or smoke-arch by a forced blast discharged therein, by combining a continuous return-flue connecting the smoke-stack with the fire-chamber, with a compound blast-pipe, and by arranging the mouth of the return-flue at the stack adjacent to and coincident with the exit aperture of the blast-pipe, whereby a portion of the compound blast, composed generally of steam, air, gas, smoke, and cinders, may be utilized again as fuel, thus effecting a considerable saving, as a large portion of the material is combustible.

To accomplish this result, Griggs, making use of the compound blast-pipe, which was well known and in common use, places at the exit aperture of the blast-pipe adjacent to, and coincident with it, a bell-shaped mouth of a return-flue, leading downwards and backwards into the fire-chamber, whereby a portion of the compound blast with the sparks is driven into the return-flue, and through that into the fire-chamber, by the force and pressure of succeeding portions of the blast.

The first claim, in Division B (No. 5,051), of his patent, is for "the combination of the compound blast-pipe, with a spark or return flue communicating with the fire-chamber, provided with a bell-shaped mouth, which is located above, adjacent to, and coincident with the exit aperture of the blast-pipe, substantially

as and for the purpose specified." There was a barrel-netting connecting the compound blast-pipe with the bell-shaped mouth of the spark-flue, for the necessary escape of the smoke, and a portion of the steam and gas from the blast-pipe, and this combination is also the subject of a distinct claim in the patent.

From the history of the art, as proved by the evidence in the record in this case, and as stated by Griggs in the disclaimers in his specifications, it is clear that his invention consisted in the combination with the compound blast-pipe of the described bell-mouthed return-flue, operating together in such a manner that the sparks were driven into the mouth of and through said flue in a continuous current without resting, into the fire-chamber, by the force of the continuous action of the blast. The inventions of David Matthews and William Duff, relied upon by the defendants, did not anticipate the invention of Griggs, for the reason, among others, that neither of them was effectual to secure a continuous current, driving the sparks from the blast-pipe to the fire-chamber without resting. In the Duff contrivance many of the sparks were landed in a chamber at the bottom of the smoke-arch, where they remained, and were never driven into the fire-box. The Matthews contrivance, though having some features in common with the Griggs invention, differed from it in precisely those particulars which distinguish an incomplete and practically unsuccessful attempt from a perfected invention. This is the history of the art in relation to most of the important discoveries and inventions of the present day. The want which the discovery or invention is to supply is first felt, and the genius of invention is aroused, and the thoughts and efforts of inventors are directed in a particular channel. When one achieves success, it not infrequently appears that prior inventors have been traveling in the same path, and in the light of his success we look back with wonder at the omission of those who started earlier in the race to take the last short step which separated them from the goal. But it is the last step in the race of discovery or invention that counts, and he who first crosses the dividing line between experiment and success wins the prize over those who, having started earlier in the race, are but a single step behind at the goal. The inventions other than those of Duff and Matthews, set up in the answer as anticipating the invention of Griggs, were but little relied on at the argument.

The proof of infringement relied upon is in the evidence that defendants use locomotives furnished with spark-consumers constructed under the several letters-patent granted to Hawkes and Paine, under which patents they are licensed. The contrivances used by the defendants to arrest and consume the sparks are a compound blast-pipe substantially like the complainant's, and a return-flue communicating with the fire-chamber. Although this return-flue is not provided with the same bell-shaped mouth located above, adjacent to, and coincident with the exit aperture of the blast-pipe, as in the Griggs patent, it has what is a clear equivalent therefor. In the Griggs patent the current from the blast-pipe is received into the bell-shaped mouth, and deflected in one direction only, into a tubular or cylindrical return-flue. In the spark arresters and consumers used by the defendants, the current from the blast-pipe is received on a cone and deflector, making together a bell-shaped deflector, itself deflected so as to deflect the sparks in all directions outward and downward into an annular chamber surrounding the blast-pipe, which annular chamber terminates in two tubes passing through the boiler and connecting with the fire-box. Connected with these tubes are tubes or pipes with a funnel-shaped opening in front of the engine, through which atmospheric air can enter and pass through the return-flue into the fire-box, to aid in the combustion of the gases and sparks returned through the flue.

It is apparent from this comparison, that the contrivance of Hawkes and Paine is substantially the same as that described in Division A, and in the first claim of Division B, of the Griggs patent, if the sparks, &c., are driven by the former as in the latter, by the force of the continuous action of the blast without resting, through the flue and into the fire-chamber. Defendants contend that in the Hawkes and Paine "sparker" the sparks are not thus driven through the flue by the continuous action of the blast, but that they fall into the annular chamber, and are drawn down the pipes connecting the annular chamber with the return-flue which passes through the boiler by the action of the current created by the force of the air. If the facts sustain this position, it would in law constitute a good defence to the charge of infringement. The fact that in the Griggs invention the sparks are driven in a continuous current, without resting or accumulating on the way from the compound blast-pipe into and through the

return-flue to the fire-chamber, constitutes, as we have before seen, an essential element in the Griggs invention. The question reduces itself, therefore, to one of fact, whether they are so driven in the Hawkes and Paine arrester, as we have already seen that the Hawkes and Paine arrester combines all the other elements of the first claim of Division B in the Griggs patent.

That the current is assisted and accelerated in the Hawkes and Paine return-flue by the operation of the current of air introduced from the funnel-shaped openings at the front of the smoke-arch is undoubtedly true. Such introduction of atmospheric air into the return current undoubtedly aids in the combustion of the returned gases and sparks in the fire-box. To that extent it is probably an improvement on the Griggs. But if the sparks are also driven by the continuous action of the compound blast, then it possesses all the elements of the Griggs invention and combination, even if a valuable improvement be added thereto. From the evidence in the record of the results of actual experiments made by running locomotives with the Hawkes and Paine "sparker" attached, and with the current cut off from the funnel-shaped openings, and from the effect of the abrasion produced by the percussive action of the sparks in that portion of the copper tube in the Hawkes and Paine sparker against which the current bearing the sparks downward would strike most forcibly, I think it is clearly demonstrated that the sparks are driven downward and backward in a continuous current through the return-flue, without resting, by the continuous action of the blast from the blast-pipe to the fire-box, and therefore I conclude that the charge of infringement is established.

Decree for injunction and account.

B. F. Thurston, for complainant.

Thomas H. Dodge, for defendants.

MASSACHUSETTS DISTRICT.

JANUARY, 1875.THE BURLEIGH ROCK-DRILL COMPANY v. GEORGE W.
LOBDELL *et al.*

Where a preliminary injunction is sought to restrain alleged infringement of a patent which has not been sustained by judicial decision, the infringement must clearly appear.

SHEPLEY, J. This is a motion for preliminary injunction, *pendente lite*. Although, upon a careful consideration of the evidence in the record, I see no good reason to doubt the validity of the two patents of the complainant, which alone were in issue at the hearing upon this motion, yet there has been no prior judicial adjudication in favor of their validity. The acquiescence in the patent has, it is true, been sufficient to lay the foundation for an injunction *pendente lite* in case of a clear, substantial identity between the patented invention and the infringing device. But where acquiescence alone is relied upon as a basis for the motion for a preliminary injunction, the infringement must be palpable. This is not a case of wilful infringement, or of the use of a device identical with the patented one, or a mere colorable attempt to evade it. The defendants are using a machine openly made, sold, and used under patents, and which in good faith the manufacturers have placed in open competition with the machines made by the complainant, honestly believing that they were not trespassing upon any rights of the complainant. This is no defence, if they are adjudged at the final hearing to infringe. But it is a reason why the court should hesitate to interfere before the final decree in a case where there is no suggestion of any irremediable injury in the intervening time, or of any want of ability to respond to any judgment which may finally be recovered.

Without anticipating at this time any conclusions which may

with more accuracy and more appropriately be drawn at the final hearing, and remarking only that, for the purposes of the hearing on this motion, I treat the ninth claim of the patent, No. 52,960, as a claim for a combination of three elements, it is sufficient to decide that a case of infringement is not made so clearly to appear as to require any action by the court in the nature of an injunction at this stage of the proceedings.

Motion denied.

Chauncy Smith, for complainant.

George Gifford, C. H. Drew, for defendants.

JANUARY, 1875.

CHARLES S. BRADLEY *et al.* v. MARK HEALEY.

The District Court has no jurisdiction of a summary petition by a mortgagee of property of a bankrupt against the assignee in bankruptcy, for sale of the mortgaged property before the bankruptcy proceedings and always since in the possession of, and claimed by, receivers appointed by a State court, not parties to the petition. The title to such property must be settled by regular proceeding at law or in equity.

SHEPLEY, J. This is a bill in equity invoking the exercise of the supervisory power of this court over certain orders of the District Court, made on the petition of Mark Healey, praying that the amount of a note held by Healey should be found by the court to be due to him from the bankrupt, the Boston, Hartford, and Erie Railroad Company, and that an estate mortgaged by the bankrupt to secure said note should be sold free of liens, and this debt paid out of the proceeds; and for general relief. The assignees in bankruptcy appeared and answered this petition. They denied the validity of Healey's mortgage, and alleged that a bill in equity, previously commenced, was pending in this court, in which they claim a large sum as due from the petitioner to the bankrupt corporation, and call for an account of his dealings with the corporation. They also allege that the trustees under the Berdell mortgage claim title to the mortgaged premises, and they claim that they ought not to be required to litigate any question concerning said property until all the parties interested in the litigation should be brought

before the court. The trustees under the Berdell mortgage also appeared by counsel, without making themselves parties to the proceedings, and claimed an interest in the property in question, and objected to the sale.

It appears, and is admitted, that at the commencement of the proceedings in bankruptcy and at the time of the adjudication, the mortgaged premises were not in possession of the bankrupt and did not pass into the actual possession of the assignees, but were in possession of receivers appointed by the Supreme Court of Massachusetts.

Under these circumstances the District Court has no jurisdiction to entertain a summary petition against the assignees of the bankrupt for the sale of property not now or ever in the possession of the assignees, but in the possession of parties claiming title and not parties to the petition. It was not the intention of Congress to deprive parties claiming property of which they were in possession, of the usual processes of law in defence of their rights. The Supreme Court, in *Smith v. Mason*, 14 Wall. 419, held that strangers to the proceedings in bankruptcy not served with process, and who have not voluntarily appeared and become parties to such litigation, cannot be compelled to come into court under a petition for a rule to show cause. In *Knight v. Cheney*, 5 B. R. 305, after a most elaborate and exhaustive examination into the extent and limitations of the powers and jurisdiction of the District Courts when sitting in bankruptcy on petition, the court decided that the District Court does not possess the power to order, in a summary way, the sale of an estate, real or personal, although the same is claimed by the assignee, even though the title to the same is in dispute, if it also appears that the estate in question is in the actual possession of a third person claiming title. See also *Marshall v. Knox*, 16 Wall. 556; *In re Bonesteel*, 3 B. R. 517; *Casey's Case*, 8 B. R. 77.

It is apparent that, if adverse claims to property could be decided by the summary action of the District Court, not only would the party claiming adversely to the assignee be deprived of a trial by due process of law, but he would be without appeal. It is contended on the part of Healey, the petitioner, that the possession of the receivers in this case was the possession of the bankrupt; and that the assignees were constructively in possession of the property at the commencement of the proceedings in

bankruptcy. It is claimed, therefore, that the doctrine of the cases in the Supreme Court does not apply. But the possession of the receivers was, even constructively, only the possession of the bankrupt, or of the trustees under the Berdell mortgage, as the one or the other might make out title to it; and the decree of the State court gave possession to the trustees under the Berdell mortgage. The title of the bankrupt has not been established as against the Berdell mortgage, and cannot be by the District Court, as they are not parties to this proceeding. The title to this property cannot be settled in this summary proceeding before the District Court, but only by regular proceedings at law or in equity. Under the present petition the District Court cannot order a sale of the property free from liens or incumbrances.

One of the prayers in Healey's petition is, that the court should find the sum named in the note and mortgage to be due to him, the validity of the note and mortgage being disputed by the trustees. The court proceeded to hear testimony as to the validity of the note and mortgage. The assignees subsequently filed a petition setting forth the nature of their claims in set-off against Healey, and alleging that these claims would require an examination into the accounts between Healey and the corporation, and praying that they should not be required to go into evidence as to these matters of set-off.

The District Court undoubtedly had jurisdiction to determine in a summary proceeding any controversy of this kind arising between the bankrupt and a creditor who claimed a debt or demand against the bankrupt under the bankruptcy. But inasmuch as the principal object of the petition was to obtain an order for the sale of the mortgaged property, which the court has not jurisdiction to order under this petition; and inasmuch as a bill in equity is now pending between the parties, in which the whole question of the validity of the mortgage and the rights of set-off claimed is at issue; it seems to be an unnecessary and burdensome expense upon all parties, and one without any practical, beneficial result to either party, to take the same testimony and try the same issue in the summary proceeding, which testimony is being taken, and which issue is to be tried, on the bill in equity already pending. The order of the District judge directing the taking of testimony in relation to the validity of

the mortgage and set-off is rescinded, and further proceedings on the petition for sale are to be stayed until the further order of this court.

J. J. Storrow, John C. Gray, Jr., for complainants.

Curtis & Reed, B. F. Thomas, for defendant.

JANUARY, 1875.

NATHANIEL GOLDSMITH, Appellant, v. CHARLES M. HAPGOOD.

An assignee in bankruptcy cannot maintain a suit in equity to recover real estate purchased in good faith by the defendant for a nominal consideration (it then having no market value), within a month before the proceedings in bankruptcy, from the bankrupt's assignees in insolvency appointed several years before under the insolvency law of Massachusetts, although the property has since increased considerably in value.

APPEAL from a decree of the District Court ordering a conveyance of certain real estate by the appellant, made in a suit in equity brought for that purpose by the appellee, as assignee in bankruptcy of one Henry Hyde. In the year 1867, Hyde's estate, including the real estate here in controversy, became vested in his assignees in insolvency duly appointed under the insolvency law of Massachusetts. There were several incumbrances on this real estate, which was occupied by Hyde as a homestead; and the assignees were unable to sell it, or even obtain an offer for it, although it was generally known that they were willing to sell for a nominal price merely. The appellant (Hyde's nephew), hearing that the property was for sale at a nominal price, authorized his attorney to purchase it for him; and on Dec. 16, 1870, the assignees in insolvency conveyed all their interest in the real estate to the appellant for a nominal consideration. Dec. 29, 1870, Hyde filed a petition in bankruptcy; and on Jan. 21, 1871, the appellee was appointed his assignee in bankruptcy. After the purchase by the appellant, it was discovered that one of the mortgages on the property was invalid. That incumbrance being removed, the equity of redemption became of some considerable value. Thereupon the assignee in bankruptcy brought this suit in equity to

compel conveyance of the appellant's right and interest in the property. The question in the case was, whether the appellant was in fact, as he claimed to be, a *bona fide* purchaser; or whether, as was contended by the appellee, the conveyance was made to the appellant as security for money to be advanced by him to pay Hyde's debts, which he had failed to do, or for the purpose of keeping the property from the possession of the assignee, for the bankrupt's use.

C. R. Train, J. O. Teele, for appellant.

D. Thaxter, Melville Stacy, for appellee.

SHEPLEY, J. This bill cannot be maintained unless at the time of the proceedings in bankruptcy Hyde had a legal or equitable estate in the premises in controversy, which, by the provisions of the bankrupt act, would pass to his assignee, on the ground that the conveyance to Goldsmith was a fraud at common law or under the provisions of the bankrupt act.

In April, 1867, the interest in the real estate in question vested, under the insolvent laws of Massachusetts, in Fowler Bragg and Henry W. Bragg, Hyde's assignees under the insolvent law. The Braggs, as assignees, held the property from April, 1867, to Dec. 16, 1870, three years and eight months. During this time, it appears from the evidence in the case that they made frequent attempts to sell the property, but "could receive no offers." One of the assignees testifies that he offered it to Hyde, but Hyde would make no offer; that the assignees did not feel justified in advertising it, for they did not think they could get enough to pay the expense of advertising; that it was generally known for several years that the place was for sale; and that the assignees were ready to sell it to any one upon the same terms upon which they afterwards sold to Goldsmith, which was a nominal consideration. They informed Miller, who, as counsel for Goldsmith, negotiated the purchase, that they were willing to sell for a nominal consideration. Miller informed Goldsmith, who authorized Miller to purchase for him; and the conveyance was made to Goldsmith for a consideration which was merely nominal.

The debts of Hyde owing to creditors who had proved their debts under the insolvency proceedings were so much greater than any assets of his estate would pay, that he could not possibly have any valuable resulting interest in the property. There

is no evidence that the market value of the interest in the property conveyed to Goldsmith was, at the date of the conveyance, greater than the nominal consideration Goldsmith paid; the assignees in insolvency are not made parties to the bill; and there is no allegation that they made the conveyance fraudulently, or without legal authority to make it. Hyde had no interest in the property to convey. He parted with no title, and did not undertake to convey, and did not convey, any interest to Goldsmith. He paid nothing directly or indirectly as a consideration of the conveyance to Goldsmith. It is claimed that Goldsmith verbally agreed, as part of the consideration, to pay the debts of Hyde. The testimony fails to prove a proposition so incredible in itself as that Goldsmith should have agreed to pay eight thousand dollars (the amount of Hyde's debts) for an interest in property which was not considered of sufficient value to pay the cost of advertising it. Goldsmith appears to have been willing to pay something as an act of charity, to aid an aged and poor relative. Because the purchase afterwards turned out to have been a more advantageous one than the assignees or Goldsmith supposed at the time, does not tend to prove it to have been fraudulent. If there was any ground for a rescission of the sale to Goldsmith, it was an interest which belonged to the assignees representing the creditors under the insolvent proceedings. No fraud is proved on the part of Goldsmith, and nothing passed to the assignees under the bankrupt act; and they cannot maintain this suit.

Decree reversed and bill dismissed.

JANUARY, 1875.

GEORGE G. SAXE *et al.* v. A. H. HAMMOND *et al.*

The manufacture of one of the elements of a patented combination, not proved to be made for use in connection with the other elements, is not an infringement of the patent for the combination.

A patent for the application to organs, &c., of any means of agitating the air "by agency external to the wind-chest, which shall not prevent the flow of the air past the reeds," so as to produce a continuous tremulous note, instead of a succession of notes, is not infringed by the manufacture of a wooden fan capable of being so applied, unless the manufacture is proved to be for the purpose of such application. Where, in a suit in equity on a patent, no infringement is found, the court will not pass upon the question of the novelty of the patented invention.

SHEPLEY, J. This bill in equity alleges that the defendants infringe certain letters-patent reissued to the complainants as assignees of R. W. Carpenter, on the 5th of October, 1869, No. 3,665, for a "tremolo" attachment to musical instruments. The defendants deny infringement, and allege prior knowledge and use of the patented invention by La Fayette Louis and others, more than two years before the date of the application of R. W. Carpenter; and also that the same invention and discovery, and the same devices described in said patent, and substantial and material parts thereof, were patented on the eighteenth day of November, 1856, to La Fayette Louis.

If the defendants could be held as infringers of the Carpenter patent; if it be a valid patent, and not anticipated by the devices which were made and used by Lafayette Louis at Chicago and other places; it would be necessary carefully to consider and decide upon the probative force and effect of the testimony in relation to those devices of Louis, which, if the testimony of the witnesses in relation to them is to be received with full credit, acted substantially as agitators to, or reflectors of, the waves or currents of air passing through the reeds in the musical instrument, and not as valves to interrupt the continuity of the musical notes. If they operated in the way first described, they would seem to have operated in the same manner and with the like result as Carpenter's fan-tremolo, although Louis appears to have been ignorant of the philosophy of the operation; a want of knowledge which is imputable as well to Carpenter, and even to those who have the benefit of the theories (which are only claimed to be theories) of the most learned scientists who have testified as experts on this subject.

If, however, the evidence in this record is not sufficient to charge the defendants as infringers of the complainants' patent, it is not necessary to decide that question in this case.

The defendants are manufacturers of supplies of materials which are elemental parts of organs and other musical instruments. They sell to the organ manufacturers. It is not claimed that they have made any musical instruments, or sold any, in which the tremolo attachments of any kind are arranged, or to which they are applied in any manner. The complainants allege that they (the complainants) have licensed large numbers of manufacturers to put these fans in their organs, and prove that they

agreed to license every reputable manufacturer who should apply. There is no evidence in this record of a sale to an unlicensed manufacturer of organs. The thing made by the defendants is shown by the exhibit produced in the case; a wooden structure of the simplest kind, which is in itself no infringement, and which, in order to constitute an infringement of the complainants' patent, must be placed by an unlicensed manufacturer in a musical instrument, and placed in a certain position in that instrument, external to the wind-chest. A revolving fan is not new. All the defendants make is a fan capable of being made to revolve. The complainants claim as their invention the application of any means to the musical instrument whereby the air may be agitated to produce a tremulous note "by agency *external to the wind-chest*, which shall not check the flow of the air past the reeds," so as to give a continuous tremulous note, but not cut off the sound, and make a succession of notes, instead of a continuation of one note. Whether the fan made by the defendants would infringe this claim when placed in the instrument, depends upon the position and arrangement of it in the organ, whether or not it be placed external to the wind-chest; whether it be placed so as to cut off the sound and produce a succession of notes, or merely to agitate the air and vary the musical notes, without interrupting their continuity. Even if all these alternative conditions were on the side of infringement, there must be the additional element of a sale for use by an unlicensed manufacturer, which is not proved in this case.

The complainants rely upon the case of *Wallace v. Holmes*, 9 Blatch. 65. There can be no doubt as to the soundness of the conclusions of the court in that case, or the cogency of the reasons given by the learned judge (Woodruff) in his opinion. But without rehearsing the facts in that case, it is sufficient to say that they were very different from the case now before the court. The gist of the decision in that case was, that the actual concert of the makers of the different elements in the combination was a certain inference from the facts in that case, and the distinct efforts of the defendants to bring into use those elements of the combination which comprised the whole invention, although they could not be used without adding one other element, were found to be proved. No such state of facts is proved in this case, as has already been shown.

I must, therefore, repeat what I stated to counsel at the argument of the cause. As defendants only make one element of the patented invention, in order to hold them guilty I must find proof connecting them with the infringement. Different parties may all infringe by respectively making or selling, each of them one of the elements of a patented combination, provided those separate elements are made for the purpose and with the intent of their being combined by a party having no right to combine them. But the mere manufacture of a separate element of a patented combination, unless such manufacture be proved to have been conducted for the purpose and with the intent of aiding infringement, is not in and of itself infringement. A patent is valid for a new combination of old elements. A person who uses one or more of the old elements is not an infringer, unless he uses the new combination. *Prouty v. Ruggles*, 16 Pet. 336, 341; *Byam v. Farr*, 1 Curt. 265; *Foster v. Moore*, 1 Curt. 288; *Eames v. Godfrey*, 1 Wall. 80. The use of a part less than the whole is no infringement.

I infer from the remarks of counsel at the argument, that, although defendants deny infringement, and do not waive this defence, it is desired that the court should pass upon the question of the validity of the interfering patents for the respective inventions of Louis and Carpenter. If the court should find the complainants' patent to be valid, no decree could be made in their favor, as defendants do not infringe. To find the complainants' patent invalid in a case in which the defendants do not infringe, would partake too much of the nature of a moot case.

Bill dismissed.

Whitney & Betts, for complainants.

Causten Browne, B. E. Valentine, W. W. Blackmar, for defendants.

JANUARY, 1875.

OTIS TUFTS *et al.* v. THE BOSTON MACHINE COMPANY.

In view of the prior state of the art, the twelfth claim of the patent for improvements in hoisting-apparatus and elevators, granted Otis Tufts, Aug. 9, 1859, which is for "passing the shipping-rods, and the cord or rod that operates the friction-

brake, through the car or platform, for the object and purposes set forth," must be construed strictly in accordance with its language, as a claim for passing the described shipping-rods, and the described cord or rod operating the friction-brake, or their equivalents, through the car or platform, for the purposes set forth.

The first claim of the patent for improvements in the mode of suspending and operating elevators, &c., granted Otis Tufts, May 28, 1861, which is for constructing an elevator, or hoisting-apparatus, with a series of two or more hoisting ropes or chains, having independent attachments, and winding simultaneously upon the hoisting-drum, for greater safety, substantially as described, held invalid for want of novelty.

The second claim of the patent of May 28, 1861, for "equalizing the strain upon the series of ropes or chains of my (Tuft's) improved elevator or hoisting-machine by automatic adjustment, substantially as described," held invalid for want of novelty.

The patent granted Otis Tufts, Dec. 11, 1866, for improvement in means for guiding elevators, held invalid for want of novelty.

SHEPLEY, J. This is a bill in equity brought for alleged infringement of letters-patent issued to Otis Tufts, dated Aug. 9, 1859, and extended seven years, for improvements in hoisting-apparatus, and adapting that apparatus for use as a passenger-elevator for carrying persons to and from the different stories in hotels and other buildings; and also of letters-patent, dated May, 28, 1861, for improvements in the mode of suspending and operating the elevator. Also for infringement of letters-patent, dated Dec. 11, 1866, for improvements in the mode of adjusting the length and tension of the ropes of an elevator; and of letters-patent, dated Dec. 11, 1866, for an improvement in elevator-guides. All of these patents were duly assigned to complainants.

The twelfth claim in the patent of Aug. 9, 1859, No. 25,061, is the one on which infringement is claimed, and is as follows:

"I claim passing the shipping-rods and the cord, or rod that operates the friction-brake through the car or platform, for the object and purposes set forth."

The shipping-rods are described in the specification as passing up through the car the whole height of the building, and operating a shipper, by which the driving-belt is shipped from a fast to a loose pulley when the power is to be thrown off. The cord is also described as passing down through the car or platform so as to be accessible within the car, which operates to apply a counterpoise spring so as to put on a friction-strap brake, its office being to check, or perfectly stop, the descending motion of the car at the will of any person within the car or on the gallery. "The great advantage" (claimed) "of running the shipping-rods

and the cord or rod up through the car itself is, that they are thus rendered accessible to the conductor, or any person within the car, without incurring the danger of protruding the hand or arms beyond the same while in motion."

If the twelfth claim be construed broadly as a claim for passing any rod or cord, by means of which the appropriate mechanism is operated to move the car up and down, or hold it at rest, *through the car or platform*, instead of outside the car or platform, it is void for want of novelty. George V. Hecker had in his flour-mill, in Cherry Street, New York, an elevator which was put in twenty years ago, and which has been in successful operation since that time. A chain passed through the roof and floor of the cage or car, which operated upon a friction-clutch and a brake. The conductor or operator within the car could, by means of this chain, operate the shipping apparatus and the brake without incurring the danger of protruding the hand or arms beyond the car while in motion. This chain was connected with a brake in such a manner that the brake could be thrown off by pulling upon the chain, or put on by relaxing the pull upon the chain, a weight then causing the brake to produce friction on the friction-pulley. The pull upon the chain, by raising the weight, first relieved the friction of the brake, and then threw into gear a friction-clutch, and the car ascended by the force of the motor applied through the friction-clutch. When it was desired to stop, the pull upon the chain was relaxed, and the weight threw the clutch out of connection, and the cage stopped, held in place by the brake. When it was desired to descend, a slight pull was made upon the chain, sufficient to relax the pressure upon the brake, but not to throw the friction-clutch into gear. The car then descended, under control of the brake, by force of gravity, at a speed dependent upon the will of the operator who controlled the brake. Within the car was a lever with one long and two short arms, with a friction-pulley on each of the short arms, which device was for the purpose of making the necessary pulls upon the chain which passed through the inside of the car. The friction-clutch is a well-known substitute for a shaft with a fast and loose pulley, a belt, and belt-shipper.

It is manifest, therefore, that, in view of the state of the art, the twelfth claim in the patent can only be sustained by giving to it a much narrower construction than the one claimed for it, and

one strictly in accordance with the language of the claim; viz., "passing *the* shipping-rods *and* the cord or rod that operates the friction-brake through the car and platform, for the objects and purposes set forth." The defendant does not infringe the twelfth claim, thus construed, or any other claim, of the patent of Aug. 9, 1859.

Infringement is also alleged of the first and second claims of the patent of May 28, 1861, which are as follows:

"1st, Constructing an elevator or hoisting-apparatus with a series of two or more hoisting ropes or chains, having independent attachments and winding simultaneously upon the hoisting-drum for greater safety, substantially as described.

"2d, Equalizing the strain upon the series of ropes or chains of my improved elevator or hoisting-machine, by automatic adjustment, substantially as described."

To construct "an elevator or hoisting-apparatus, with a series of two or more hoisting-ropes or chains, having independent attachments and winding simultaneously upon the hoisting-drum," was not new at the date of this patent. Letters-patent of Great Britain to Frederick Levick and Joseph Fieldhouse, sealed Jan. 13, 1854, describe a hoisting car or carriage with two hoisting-ropes wound around the same spirally grooved drum. The ends of both of these ropes are attached to a connecting chain which passes under a pulley attached to the top of the car. Another chain is attached to the first-described chain in such a manner that the chain surrounds the pulley. If one breaks, the other, with the chain, forms a loop around the pulley, and sustains the car. The second chain converts the attachment into an independent attachment of each rope, and, when one rope breaks, the other rope will continue to sustain the weight of the car. Mr. Renwick, the expert, correctly states that "the ropes act precisely as if they were attached to the two ends of a horizontal lever, whose centre, upon which it could turn, was secured to the top of the car." In the patent of 1861, the patentee, Tufts, says: "I do not confine myself to the precise method herein described of effecting the automatic adjustment of the strain upon the hoisting-ropes, as I sometimes accomplish the same by a rocking lever when two ropes are used."

It is plain, that, in the Levick and Fieldhouse elevator, the two ropes when intact have equal strain upon them, and that,

if one of the ropes should break, the weight of the car would be supported by the other rope. If the chain should break under the pulley, the car would fall, as it would in the form last described of the Tufts elevator, if the attachment to the car at the centre of the rocking lever should fail. It is contended that the purpose of the two ropes in the Levick and Fieldhouse machine was to keep the cage in the centre of the shaft, and that, therefore, the Levick and Fieldhouse patent does not anticipate the first claim in the patent of 1861. The answer to this is, *first*, that, whether they were placed there for the purpose of greater safety or not, they effected that result; and, *secondly*, that the patentees evidently contemplated that as one of the beneficial results to be attained by the use of two ropes instead of one, as there is no conceivable use for the cross-chain before described, except, in case of the breakage of one rope, to form a loop around the pulley, thus attaching the surviving rope to the car.

In the elevator which was placed in the mill of the Parsons Paper Company, at Holyoke, Mass., in 1856, there were two hoisting-ropes, having independent attachments to opposite arms of a rocking lever. They jointly and equally took the strain of the weight of the car, and each rope was sufficient to sustain the load put upon the machine. This elevator has been in constant use; and when one rope has broken, the elevator has been worked several days with the remaining rope. The ropes in the Holyoke elevator did not, it is true, wind around a drum, but were passed around a series of pulleys, and the free ends of the ropes were attached to counterpoise weights; but these two means of winding up a rope to which a weight is attached are well-known substitutes for each other.

Without adverting to the other patents, which have been introduced in evidence, and relied upon in defence on this branch of the case, enough has been stated to show that the first claim of the patent of 1861 is void for want of novelty. The second claim in this patent is, "equalizing the strain upon the series of ropes or chains of my improved elevator or hoisting-machine by automatic adjustment, substantially as described." This claim can only be construed as a claim for the described means of performing this function, and for well-known substitutes or equivalents of those described means. The means the patentee describes are three. One of those modes is by means of a rock-

ing lever, or system of rocking levers, to the ends of which the suspensory ropes are attached. The Holyoke elevator and the Levick and Fieldhouse elevator both anticipate this claim. One had a rocking lever, and the other had a device which operated in the same way and produced the same result. If the claim is valid, defendant is not proved to have infringed it; for there is no evidence in the record tending to show that the contrivance used by the defendant of a series of pistons fitting into a set of cylinders with connecting pipes, the cylinders being filled with an incompressible fluid, were at the date of the patent known substitutes for either of the means of adjustment described in the patent.

The patent of Dec. 11, 1866, No. 60,441, so far as the second claim is concerned, which is the one alleged to be infringed, relates to "means for manipulatory relative adjustment, within reasonable limits, of the series of ropes or chains, which are independently attached to the winding drum and to the car of the elevator, so that an equal degree, or very nearly equal degree, of tension can be had upon each rope or chain of the series, by proper attention or manipulation on the part of the party having such an elevator in charge." The patentee states in his specification that considerations of saving in the first cost of construction render it desirable in many instances to substitute for an automatic adjustment of the ropes or chains a means for adjusting them from time to time, as occasion may require; in other words, that the means of manipulatory adjustment in the patent No. 60,441 were intended as a substitute or alternative means for the automatic adjustment described in the patent of May 28, 1861, No. 32,441. The defendant has put into its elevators means of mechanical manipulatory adjustment; but they do not perform the function described by Tufts as a substitute for the automatic adjustment, because the tension on the ropes or chains cannot be varied by any manipulation of the nuts. Owing to the presence of the equalizer, the means of automatic adjustment in the defendant's elevator, the nuts or the stumps may be screwed up or down to their fullest extent on any rope, without any variation of the tension on that or any other rope. As defendant does not infringe, it is not necessary to consider the question of novelty of this claim.

The patent of Dec. 11, 1866, relates to means by which an

elevator is so guided as to prevent the sway thereof, and the noise consequent upon contact with the ways by which the elevator is guided. The claim is as follows: "I claim combining the suspended car of an elevator with the ways or rails which confine it, by means of guides kept by springs constantly in contact with said ways or rails, when said guides are so arranged as to be capable of motion towards and from the rails." In the provisional specification filed April 6, 1858, in the office of the Commissioner of Patents for Great Britain, accompanying the petition of Louis Tétar van Elven for a patent, which did not proceed to the Great Seal, but which specification was printed by Eyre & Spottiswoode, is a clear and accurate description which contains all the features of this claim. Defendant's exhibit No. 13 is a model of the device described in the Tétar van Elven specification. It fully anticipates every feature of this claim.

Bill dismissed.

James B. Robb, for complainants.

Causten Browne, for defendant.

MARCH, 1875.

JOSEPH WINTER, Libellant, Appellant, v. THE STEAMER HERCULES, CHARLES H. WINNETT, Claimant.

Mere apprehension of danger, not then imminent, is not sufficient to justify a change of course by a sailing-vessel meeting a steamer under way.

SHEPLEY, J. Both parties have appealed from the decree of the District Court, which awarded to the libellant one-half of his damages suffered in a collision between the steamer Hercules and the Antelope, a schooner of libellant. The collision occurred near Martha's Vineyard, three or four miles north of west from the Cross Rip Light-ship. The wind was blowing heavily about east-south-east, accompanied by rain. The steamer was working to the eastward about three or four miles an hour through the water. The schooner was sailing westward before the wind eight or ten miles an hour through the water. Before either vessel changed her course in view of the pending collision,

they were heading in nearly opposite directions ; the schooner west by north, the steamer east-south-east one quarter east. The steamer struck the schooner about midships on her starboard side and nearly square across her. The steamer first starboarded ; then the schooner, instead of keeping her course, starboarded ; then the steamer changed and ported her helm. Then followed the collision. The schooner had the right of way, and was bound to keep her course. The steamer might go either side of the schooner, to starboard or port, as might be most safe. Without going into detail of the testimony, I am satisfied, upon a careful examination of the record, that if, when the steamer starboarded, she had adhered to that course without change, and the schooner had also kept her course, there would have been no collision. When the steamer starboarded, the schooner, apparently for the purpose of widening the distance between the two, also starboarded. But the steamer then changed and ported. This brought the schooner directly across the bow of the steamer. The schooner attempts to justify her change of course on the theory that it was not made until the collision was inevitable. I do not so find from the testimony. If the schooner had kept her course the probabilities are that the collision would not have taken place ; that is, the correction of the mistake on the part of the steamer would not have been too late to avoid the collision if the course of the schooner had not been changed. Mere apprehension of danger does not exonerate the schooner for changing, unless the danger was imminent. It is contended on the part of the steamer that the first change of helm was corrected before it had occasioned any change in the course of the vessel. I have reached the conclusion from the testimony that the course of the steamer was changed, and that, if the order to port had been given at the time the first order to starboard was given, it would not have been too late to have avoided the collision. It is difficult to sift the truth from conflicting testimony on questions of time and distance. There are almost certain tests by which all other evidence in collision cases can ordinarily be tried in the undisputed facts of the case. Time and distance are the vital questions in this case. But looking to the facts as proved, I have reached the conclusion, not without some hesitation, that the steamer ported too late, and not until she was too near the schooner. The doubt in the District Court was as to the fault

of the schooner. The additional evidence before this court tends strongly to sustain the correctness of the conclusion of the District judge, holding her also in fault.

Decree affirmed, with interest and without costs after the appeal.

F. Goodwin, for libellant.

J. C. Dodge, for claimant.

MARCH, 1875.

JIREH SWIFT, Jr., *et al.*, Claimants, Appellants, v. WILLIAM O. BROWNELL *et al.*, Libellants.

WILLIAM O. BROWNELL *et al.*, Libellants, Appellants, v. JIREH SWIFT, Jr., *et al.*, Claimants.

JIREH SWIFT, Jr., *et al.*, Libellants, Appellants, v. WILLIAM O. BROWNELL *et al.*

Neglect by a vessel having the right of way at night, to show the regulation-lights, does not relieve another vessel, meeting her, from the duty of observing the rules of navigation and using all practicable precautions to avoid a collision.

Where an experienced and capable master of a vessel badly injured by a collision at sea, himself a part owner of the ship and cargo, acting in good faith according to his own judgment and the advice of two other ship-masters, abandons the vessel and cargo, their value is to be taken as a total loss in estimating the damages by the collision, although the other vessel, almost as badly injured, succeeded in reaching a port of safety.

In estimating the damage caused by a collision between two New Bedford whaling-ships in the Arctic Ocean, a cargo of bone and oil on one of them, there abandoned with the ship in consequence of the collision, is to be taken at its market value in New Bedford, at the time when it would ordinarily have arrived there, if shipped at the time and from the place of the collision.

The whaling equipment, provisions, and supplies of a whaling-ship, are not within the meaning of the words "ship or vessel" as used in sect. 3, of the act of March 3, 1851 (9 Stats. 635), limiting the liability of ship-owners in cases of collision to the value of their interest in the "ship or vessel, and her freight then pending."

There is no "freight pending" on a whaling voyage within the meaning of that act.

In estimating the damages to a ship on a whaling voyage caused by a collision, demurrage is to be allowed for the time she is in port undergoing repairs.

ADMIRALTY appeals from a decree of the District Court of Massachusetts, dividing the damages caused by a collision between the whaling-ships Ontario and Helen Mar, in the Arctic Ocean. The facts and the questions presented on the appeals are stated in the opinion.

Marston & Crapo, for owners of the *Helen Mar*.

Oliver Prescott, T. M. Stetson, for owners of the *Ontario*.

SHEPLEY, J. These cross-libels are promoted to recover damages consequent on a collision in the Arctic Ocean at ten o'clock at night, between the whale-ships *Ontario* and *Helen Mar*. A gale was blowing from the north-west, and both vessels were lying-to under storm-sails. The *Ontario* was close-hauled on the starboard tack under close-reefed maintopsail and foretopmast-staysail, and the *Helen Mar* was close-hauled on the port tack, having set her lower maintopsail and foretopmast-staysail. Each vessel was making from one and a half to two and a half knots, much of it to leeward. The starboard bows of both vessels came in contact, each vessel losing foremast, main and mizzen topmast, and head-gear and anchors, and all the boats but one. The *Ontario*, with a valuable cargo of oil and bone, was necessarily abandoned. The *Helen Mar* was, in her disabled condition, brought safely out of the Arctic Ocean with a damage alleged at twenty thousand dollars. The night of the collision was intensely cold, with a north-west wind blowing a gale, with a clear sky, except during the occasional snow-squalls, when the intense cold precipitated the vapors in the air in flurries of snow. Except during these brief snow-squalls, the moon and stars were visible. The *Helen Mar* had the red and green lights required by the act of April 29, 1864. The *Ontario*, it is admitted, had not the statute lights, but it is claimed that she had a white light in a large Fresnel signal-lantern.

It does not seem to be questioned in this case that the *Ontario* had the right of way. Being absolutely close-hauled on the starboard tack, although by the rules it was her duty as well as that of the *Helen Mar* to port her helm, she could not port any more without going in stays, which is not required except in extreme cases. That the *Ontario* was in fault for not having the regulation-lights is clear. The evidence fails to prove that this fault was immaterial, but, on the contrary, is conclusive that it contributed to the disaster.

The *Helen Mar* was bound to port her wheel and go to the right. The law requires great vigilance on the part of the vessel bound to give way. The omission of the other vessel to exhibit the proper lights is insufficient to relieve her from the duty of observing the laws of navigation, and of using all practicable pre-

cautions to avoid a collision. This was the settled law before the enactment of the act of April 29, 1864. *Chamberlain v. Ward*, 21 How. 548. It is enacted in the twentieth article of that act, and has been, since the passage of the act, so held in *The Gray Eagle*, 9 Wall. 505. The Helen Mar did not port her wheel until too late to avoid the collision. Was this omission attributable solely to her inability to see the Ontario or to know her position and course by reason of the absence of the colored lights; or was it attributable partly to any inattention or neglect and want of proper lookout on the Helen Mar? Ought the Ontario to have been seen from the Helen Mar much earlier than she was seen, notwithstanding the absence of the colored lights? I think the evidence clearly proves that there was no snow-squall at the time of the collision, and had not been for fifteen minutes before. Not only the lights of the Helen Mar, but the vessel itself, were clearly seen from the Ontario a considerable time before the collision, and I am satisfied that the Ontario could have been seen from the Helen Mar when distant at least a quarter of a mile. If there was a forestaysail on the Helen Mar at the time of the collision, a fact which the evidence leaves in doubt, I do not think it would have obstructed the view of the lookout on the Helen Mar materially, and, if at all, only at intervals when the vessel was pitching. I do not, therefore, attach any importance to the question, so much discussed at the argument, whether or not the forestaysail was up. The Helen Mar had four men on deck besides the officer: two near the wheel, which was lashed but could be readily and quickly freed, and two on the lookout. The lookout were stationed amidships, because the Helen Mar was a wet ship, and with a north-west wind blowing a gale, and the temperature at nineteen degrees below zero, the spray freezing instantly, and with no topgallant fore-castle or staging in the bow to accommodate the lookout, it was almost, if not quite, impossible to keep men at the bow. Yet from the vise-bench, where one of the men on the lookout was stationed, I think the Ontario could have been, and ought to have been, seen sooner. What the reason was why the two men on the lookout did not see the Ontario sooner than they did, whether it was a momentary carelessness of the seamen, or a state of listlessness and indifference to passing events in the minds of men yielding to the numbing influence of the intense cold, we may not be able to discover. It

is not often easy to discern, or necessary to know, *why* negligence existed in a given case. It is sufficient for purposes of judicial determination if we find the fact of negligence established. I think in the case of this collision neither party proves that "it has endeavored by every means in its power, with due care and caution, and a proper display of nautical skill, to prevent the occurrence of the accident." See *The Locklibo*, 3 W. Rob. 318. Here, then, is not a case of inevitable accident, but one of mutual fault; the fault of each contributing to a common calamity, the aggregate loss resulting from which is to be equally divided.

A question is presented whether the Ontario is entitled to have her total loss estimated, on the ground that she was abandoned, when, it is contended, she might have been navigated to a port of safety. Because the Helen Mar, in a condition of almost equal disability, succeeded in reaching the port of San Francisco, it is easy, with the wisdom which comes after the event, to contend that the Ontario might have done the same. But the master of the Ontario was experienced and of undoubted seamanship and capacity. He was a part owner in ship and cargo. He acted not only on his own judgment, but on the advice of two other masters of whalers in the Arctic Ocean. In good faith he determined that it was his duty rather to abandon the property of himself and his owners than to risk the lives of his crew. Placing ourselves in the position in which he was when called to determine, we ought to be slow in overruling the decision at which he arrived, and in which the other masters concurred.

The true rule in estimating the value of the cargo of the Ontario is the *restitutio in integrum*. The injured party is to be made whole. He is to be as well off as if the injury had not been inflicted, and no better. "It is the actual damage sustained by the party at the time and place of the injury that is the measure of damages." *Smith v. Condry*, 1 How. 35. If there is a market value ascertainable at the time and place of injury, that market price governs. If, however, the article is of value to the owner, the wrong-doer does not escape by showing the absence, at the time and place of the injury, of a market for the article. *Stickney v. Allen*, 10 Gray, 352.

There was no market price for the oil and bone in the Arctic Ocean. The true rule, so far as it goes, is stated in *Bourne v. Ashley*, 1 Lowell, 28. "The market of New Bedford,

which the witnesses and the assessor adopted, is the controlling market of the country, as well as the home port of both vessels, and furnishes the proper standard. The damages, then, will be the value at New Bedford, of the oil and bone, . . . less the average necessary expenses of . . . freight, insurance, and the other usual charges, with interest on the sum thus arrived at." This rule is clearly a just one; but it seems clear to me that an error was made in the mode of applying it to the facts of this case. The value of the oil and bone was determined by the commissioner, as confirmed by the court, by taking the market price at New Bedford at the time of collision, and deducting freight, insurance, and other usual charges.

But the price of bone and oil was exceptionally high at New Bedford at the time of the collision. By making the assessment at that price, the libellants receive what they could not have obtained by any possible combination of circumstances. They had oil and bone in the Arctic Ocean. To get it to a market, they must take time and incur expense. The value to them was what the net proceeds of the oil and bone would be after the expenses had been incurred and the time had elapsed necessary to reach a market. The element of time, it seems to me, is as much to be taken into account as the element of freight. There being no market in the Arctic Ocean at the time and place of collision, the article is constructively transported to a place where there is a market. We ascertain when it could reach the market, what it would produce on arrival over the cost of placing it there, and thus determine precisely what it was worth at the time and place of the injury. This is what the owner could have realized for it by freighting it to the market. As he could not have realized the exceptionally high price at New Bedford at the time of the collision, but only the price at New Bedford when he could get his articles there, the estimate should be based upon that price only which the article could command. If a cargo of powder be destroyed, destined for a port where by reason of war it commands an exorbitant price, it would not be reasonable to give the owner that exceptional price, when by no combination of circumstances it could have reached the port until the causes creating the exceptional price had ceased to be operative. I think, therefore, that, in applying the rule quoted from *Bourne v. Ashley*, the New Bedford price of the bone and oil, adopted as a basis, should

be the New Bedford price when the bone and oil could have reached the New Bedford market. This seems to have been the rule adopted by Judge Sprague in *Taber v. Jenny*, 1 Sprague, 315. It certainly seems to be a rule of exact justice and precise restitution.

The commissioner to whom the assessment was referred reported the value of the cargo of bone and oil lost on the Ontario, at New Bedford prices in September, 1866, the time of collision, after deducting expenses, to have been \$52,554.04; and the value, computed at the market price of such commodities in New Bedford at the date it would probably have arrived there, if shipped immediately, deducting expenses, shrinkage, &c., in the same manner, at \$34,647.67. The latter sum should be substituted for the former in making up the decree. The damage to the Ontario, as found by the commissioner, would then be \$68,512.67, instead of \$86,419.04, and the damage to the Helen Mar, including the general-average charges and demurrage, \$20,422.28. So that, in order to equalize the damages, the Ontario would be entitled to the sum of \$24,045.19, instead of \$32,993.38, as found in the decree of the District Court.

But as the liability of the owners of the Helen Mar for damage or injury by collision, by the provisions of the act of Congress of March 3, 1851, "shall in no case exceed the amount or value of the interest of such owner or owners respectively in such ship or vessel and her freight then pending," it becomes necessary to determine the contributory value of the ship or vessel and her freight then pending. The liability is for the value of the vessel after collision, the act of Congress having adopted the rule of the maritime law, and not the rule of the English statutes, on this subject. *Norwich Co. v. Wright*, 13 Wall. 104. It is contended in behalf of the Ontario that the value of the whaling equipment, at date of collision, is to be estimated in the value of the vessel. The commissioner has found this to have been \$10,000; and the decree of the District Court adding this to the \$8,000, the value of the Helen Mar, after the collision, makes the estimated value of the ship at the date of collision \$18,000.

The limitation of liability in the statute is the value "of the ship and her freight then pending." Does the word "ship," as used in the statute, include, in the case of a whaler, the whaling outfits, consisting of whaling-gear, casks, provisions and supplies

for the crew, and trading, known as "slops"? That the word "ship" was intended to include the tackle, apparel, and furniture of the ship, I suppose, will hardly be questioned. In case of insurance, whaling equipment or fishing-stores are not considered as covered by a policy on the ship, or as a part of her tackle, apparel, and furniture.

In construing the English statute, 53 Geo. III. c. 159, Lord Stowell, in the case of *The Dundee*, 1 Hagg. 109, held the fishing-stores of a vessel engaged in the Greenland fisheries liable to contribute in compensation for damages done to another British ship by collision. But that learned judge did not so hold on the ground that the whaling implements or fishing-stores were included in the term "ship," or in the phrase, "ship, her tackle, apparel, and furniture." He states the question thus: "The only remaining question can be, whether the word *appurtenances* is properly applicable to fishing-stores on board of a fishing-vessel. It is a word of wider extent than 'furniture,' and may be properly applied to many things that could not be so described (with propriety at least) in a contract of insurance." He then proceeds to discuss what may properly be defined as appurtenances to a ship. The word "appurtenances," he states, must not be construed with a mere reference to the abstract naked idea of a ship; for that which would be an incumbrance to a ship one way employed would be an indispensable equipment in another; and it would be a preposterous abuse to consider them alike in such different positions. You must look to the relations they bear to the actual service of the vessel. He held the fishing-stores of a whaler to be "appurtenances."

So far from holding them to be included in the words "ship, her tackle, apparel, and furniture," he held that the seventh and eighth clauses of the act 53 Geo. III., in which the word "appurtenances" is introduced as subject to contribution, must be considered as explanatory of the first enacting clause, which subjects the ship, tackle, apparel, and furniture, and its freight, to contribution, thus proving that the obligation of that clause, as explained by the following clauses, was intended to embrace whatever could be fairly considered as the appurtenances of the ship. He adds: "It cannot be supposed that these following clauses introduce any inoperative word totally without meaning." Unless the word "appurtenances" be an inoperative word totally

without meaning, it is, as Lord Stowell observes, a "word of wider extent than 'furniture;'" and the English statute, which subjects the ship and all her appurtenances to liability, is much broader in that particular than the act of Congress, which limits the liability to the value of the ship and the pending freight. The question in the case of the Dundee was, "whether the word 'appurtenances' is properly applicable to fishing-stores on board a fishing-vessel." The question in the case pending is, whether the word "ship" is properly applicable to fishing-stores on board a fishing-vessel.

It seems to me as clear that such stores are not "ship" in the case of a fishing-vessel, as that, in such case, they are appurtenances of the ship, and as clear that they are not included in our statute in the word "ship," as it is clear that they were included in the English statute in the expression "ship with all her appurtenances." The very nature of an appurtenance is that it is one thing which belongs to another thing. If the fishing-stores are "ship," they are not appurtenances of the ship.

The act of Congress seems to have been drawn with direct reference to all the previous English statutes on this subject. The word "appurtenances," used in the seventh and eighth clauses of the act of 53 Geo. III., had, almost thirty years before the passage of the act of Congress, received a construction by Lord Stowell in the Dundee. The Court of King's Bench, also, in *Gale v. Laurie*, 5 B. & C. 156, growing out of an application for prohibition in the case of the Dundee, had decided that the words "with all her appurtenances," in the seventh section of the act of 53 Geo. III., were to be considered as if inserted after the words "ship" and "vessel" in the first clause, and that fishing-stores were a part of the appurtenances of the ship. By the use of the words "ship" and "freight pending," and the omission of the word "appurtenances," used in the English statute after this construction had been given to it, Congress clearly expressed an intention to limit the liability to the value of the ship, and that which is properly a part of the ship, her tackle, apparel, and furniture, and not to include that which is no part of the ship in the language of merchants, but only appurtenant to it as necessary for a special voyage or adventure.

There is no "freight pending" in a whaling voyage; and the decree in the District Court properly omitted any allowance for freight in the valuation of the *Helen Mar*.

In the estimate of damage to the Helen Mar by the collision, the commissioner allowed demurrage on the Helen Mar while under repair at San Francisco. The rule allowing demurrage, under such circumstances, is too well settled to be questioned. The sum allowed by the commissioner seems large; but the report is in all respects remarkable for its accuracy and ability; and, upon a mere question of fact as to amount, I do not feel disposed to disturb the conclusion of so competent a commissioner, after it has received the approval of an admiralty judge so careful and experienced, without a more clear preponderance of evidence against the finding than I can find from the testimony reported in this case.

The Helen Mar, therefore, is to be valued immediately after the collision, without adding thereto the value of her whaling outfits, or any allowance for freight. The aggregate damages are to be divided. No cost is to be taxed for either party in the District Court, and the Helen Mar is to recover the costs after the appeal. The decree of the District Court, so far as it decrees that both parties were in fault, and the aggregate damages are to be divided, is affirmed, and so much of it as includes in the valuation of the Helen Mar her whaling outfits, as a basis for determining the extent of the liability of her owners under the statute, is reversed; and a decree is to be entered against the Helen Mar and owners for the sum of \$8,000, with interest from the date of the collision.

Decree accordingly.

MARCH, 1875.

THE DELAWARE MUTUAL SAFETY INSURANCE COMPANY OF
PHILADELPHIA v. GOSSLER *et als.*

A bottomry and respondentia bond conditioned to be void in case of "utter loss" of the vessel during a certain voyage, is not discharged by the stranding of the vessel during the voyage, and abandonment to insurers as a total loss, and sale by them at the place of stranding as not worth repairing, if the vessel exists *in specie* at the time of the sale.

The holder of such a bond, in case of shipwreck of the vessel not amounting to an utter loss within the meaning of the bond, is entitled to the proceeds of the cargo saved, as against insure's of the cargo who have accepted abandonment and paid the owners as for a total loss.

ACTION AT LAW. The plaintiff corporation was insurer of a cargo of sugar on board the North German bark Francis, from Java to Boston. The vessel sailed from Pasoeroean, Java, with said cargo on board. Soon after leaving her port of departure she encountered a hurricane, and was compelled to cut away her masts to save vessel and cargo. At the neighboring port of Surabaya, Java, she was partially repaired, and thence necessarily proceeded to Singapore, Straits Settlements, in tow of a steamer, where her repairs were completed and she was fitted to continue the voyage. To meet the expenses of repairs upon the bark, the master was compelled to borrow at Singapore the sum of \$26,055.43, Singapore currency, and executed, July 12, 1872, a bottomry bond for that sum, with marine interest at $27\frac{1}{2}$ per cent, upon the vessel, cargo, and freight.

The bark sailed from Singapore for Boston, encountered a storm in the month of December following, and was cast ashore on Cape Cod, Massachusetts.

The defendants, who were agents of the bondholders and assignees of the bond, took measures to save as much as possible from the wreck, and succeeded in saving somewhat less than half the sugar on board, which was forwarded to Boston and sold. The vessel was surveyed as she lay upon the beach, found incapable of repair, and her sails, rigging, &c., and afterwards the hull, were sold by auction for the underwriter. When the vessel was sold, she lay "on the beach, full of water, as high as she could, but so low as to be submerged at high water." The hull was sold for \$2,000, and was resold by the purchaser, on the same day, for about \$6,000.

Upon learning of the disaster to the vessel, the owners of the cargo made abandonment in writing to the plaintiff as underwriter thereon, and claimed payment for a total loss under their policies. The abandonment was before the sales. After the sales the plaintiff corporation paid to each of said owners the amount of a total loss under said policies, and, on the same date, received from each of the owners an assignment and transfer in writing of "the sugar of said owners, and all their right, title, interest, trust, claim, and demand therein and thereto."

The defendants, as agents of the bondholders, with the consent of the owners of the cargo, sold the sugar saved, and held the

proceeds, claiming them on account of said bond; the net proceeds of the saved cargo not being sufficient to satisfy the bond. The plaintiff corporation claimed the proceeds of the cargo saved, as underwriter who had accepted abandonment, and paid a total loss thereon; and this action was brought to recover those proceeds.

Sidney Bartlett, Curtis & Reed, for plaintiff.

Sohier & Welch, for defendants.

SHEPLEY, J. This contract of bottomry and respondentia contains the following condition, upon the construction of which, as affecting the rights of the parties at common law, upon the well-settled principles of law applicable to similar contracts, depends the ownership of the fund in controversy: "*Provided, nevertheless*, and it is hereby agreed, that if, in the course of the said voyage, an utter loss of the said vessel by fire, lightning, enemies, men-of-war, or any other perils, dangers, accidents, or casualties of the seas or navigation, shall unavoidably happen, then the said loan and interest shall not be payable, and all parties liable therefor shall be wholly discharged therefrom, and the loss shall be wholly borne by the said lenders or bondholders, and every thing herein contained for payment thereof shall be void and determined; save and except only, and provided in such case, that the said lenders or bondholders shall be entitled to such average as can be hereby lawfully secured to them on all salvage recoverable in respect to the said vessel, freight, and goods, or any of them."

The meaning of the clause of exception at the close of this condition is not obvious at the first glance. It is claimed that the effect of it is to give to the bondholder, to the extent of the sum due to him, all the property saved in case of wreck. If that was the purpose of the clause, it could have been simply expressed in language free from ambiguity. But the language does not entitle the bondholders to the effects saved. It does not entitle them to salvage, but "to such average as can be lawfully secured to them (the bondholders) on all salvage recoverable," &c.

Perhaps some light may be thrown upon the history of the use of such a phrase as "average upon salvage," in connection with the right of the lender upon general adventure to a claim upon any of the effects saved, by reading the discussion between Valin

and Emerigon, to be found in the commentary of Valin upon the Ordonnance de la Marine, liv. 3, tit. 5, art. 18, "*des Contrats à grosse aventure*."

The article itself provides, "S'il y a contrat à la grosse & assurance sur un même chargement, le donneur sera préféré aux assureurs sur les effets sauvés du naufrage pour son capital seulement." If there be a contract of maritime loan and an insurance upon the same cargo, the lender shall be preferred to the insurers upon the effects preserved from shipwreck for his capital, and no further. In commenting upon this article, Valin zealously contends against what he considers the gross injustice of such a preference of the lender upon bottomry or respondentia upon the goods saved, over the insurer, and he supposes the case of a cargo worth twenty thousand livres, on which the bondholder had a claim for ten thousand, and there was insurance to the amount of ten thousand on the surplus, insisting that in such a case the insurer should share proportionably with the bondholder in the effects saved. He refers the question to Emerigon, who does not concur in the views of Valin, and gives conclusive reasons against the construction contended for by Valin, adding that he has consulted the Tribunal of the Admiralty at Marseilles, where the opinions were unanimous that this privilege was conceded to the bondholder by the eighteenth article in favor of commerce. Boulay Paty also agrees with Emerigon. The views of Valin never seem to have been recognized in the commercial code of any nation. It is worthy of note, however, that he contended that the lender upon bottomry or respondentia should share with the insurer or the owner in the effects saved, in proportion to their respective interests in the property at risk. This would have been an "average of the salvage." The insertion of this clause might have resulted from an attempt to establish, by agreement of the parties, a rule of division of the effects saved between the bottomry lender and the insurer, in proportion to their respective interests, in lieu of the well-established rule of the maritime law, which prefers the bondholder to the extent of his original loan.

Sir Robert Phillimore, in the case of *The Great Pacific*, L. R. 6 Ad. & Ecc. 385 (after adverting to the fact that a stipulation couched in these very words was of common occurrence, and found in the old forms of bonds in the early editions of

"Abbott on Shipping," and in the edition of 1781 of "West-kitt's Digest of the Laws of Insurance"), speaks of it as derived, probably, from the mercantile usages of Spain, with respect to vessels trading with the Spanish West Indies, and that it referred to cases in which the ship had been so wrecked that portions of her alone remained, such as planks, spars, rigging, and the like, when, to use the expression of Emerigon, "*Les débris du navire naufragé existent, mais le navire n'existe plus.*"

The case of the Great Pacific was heard on appeal from the High Court of Admiralty to the Privy Council. *Stephens, v. Broomfield*, L. R. 2 P. C. 516. Sir James W. Colville, in pronouncing the judgment in the case, says, with reference to this clause: "Whatever it means, their Lordships believe that it was intended to secure the payment to the bondholders of something which the obligors might become entitled to receive from third parties in respect of the ship, and not a division of the proceeds of the sale of the vessel between the bondholders and the ship-owners. It would meet the case suggested at the bar, in which, the vessel having been voluntarily stranded, with a view to the preservation of the cargo, general average upon the cargo salvaged might become due from the owners of that cargo to the owners of the ship. That such average would become due, if the ship, failing to get off, is totally lost, seems to be a question upon which jurists are not agreed. See Abbott on Shipping (10th ed.), pp. 373, 375, and 2 Phillips on Insurance, sect. 1315; but the clause may, nevertheless, have been designed to cover such average, if the right to it existed."

The judgment in that case was that, whatever might be the construction of the clause, it could have no operation in the case of the Great Pacific, unless there had been a *loss* of the vessel within the meaning of the clause; and there had been no such loss in that case, because the ship remained *in specie*, though so much damaged as not to be worth repairing.

It may be well to note that the words in the condition in the case of the Great Pacific were, "in case of loss," and in this case, "in case of utter loss;" and to remark, that the sum for which the hull of the ship sold after the disaster bore about the same proportion to the original value as in the case at bar.

Whatever be the true construction of this exception, it is manifest that the exception can have no application to the facts in

this case. The exception applies only in case of "an utter loss," and not of a constructive total loss, of the vessel. The words are, "save and except only and provided *in such case* that the said lenders or bondholders shall be entitled to such average as can hereby be lawfully secured to them on all salvage recoverable in respect to the said vessel, freight, and goods, or any of them." The words "in such case" refer to the contingency, and the only contingency, provided for in the preceding paragraph of the exception, "if, in the course of the said voyage, *an utter loss* of the said vessel, by fire, lightning, enemies, men-of-war, or any other perils, dangers, accidents, or casualties of the seas or navigation, shall unavoidably happen."

The exception is, therefore, applicable only in case of "*an utter loss*" of the said vessel. In this case, the vessel did not arrive at her port of destination; she was sold at an intermediate place, on the beach, near Truro, Cape Cod, by the voluntary act of the underwriter (who, after the abandonment, was the owner), in the exercise of a wise discretion, because the expense of the necessary repairs would have exceeded the value of the vessel when repaired, and because there was not a reasonable expectation of getting her off the beach where she was stranded, without an expenditure which would not have been justified by the existing state of facts. There was clearly a constructive total loss of the ship, which would have entitled her owners to recover from the underwriter the whole amount of her insurance; but there was not that actual or absolute total loss, or, in the words of the condition of this bond, that "utter loss," which would discharge from his liability the borrower of money upon bottomry, inasmuch as the ship existed *in specie* at the time of her sale.

"There is not, in respect to the contract" (of bottomry), "any constructive total loss. Nothing but an utter annihilation of the subject hypothecated will discharge the borrower on bottomry." "The property saved, whatever it may be in amount, continues subject to the hypothecation." 3 Kent's Com. sect. 359. Lord Ellenborough, in *Thomson v. The Royal Exchange Assurance Co.*, 1 M. & S. 30, says: "In the case of bottomry, nothing short of a total destruction of the ship will constitute an utter loss; if it exists *in specie* in the hands of the owner, it will prevent an utter loss."

In *The Catherine*, 1 Eng. Law & Eq. 679, s. c. 15 Jur. 231, Dr. Lushington, referring to the case last cited, says: "In that case, Lord Ellenborough decided that the bond could not be lost so long as the vessel remained *in specie*. That was the law of this country long before Lord Ellenborough so declared it. If a ship was once bottomried, the bond attached to the very last plank, and the holder might have that sold for his benefit." See also *The Dante*, 2 W. Rob. 427; *The Draco*, 2 Sumner, 157; *The Elephanta*, 9 Eng. Law & Eq. 553.

In *Broomfield v. The Southern Ins. Co.*, L. R. 5 Ex. 192, Martin, Baron, says: "Now, it has been held that, in construing a bottomry bond, 'loss' means a loss by going to the bottom of the sea." This was an action upon a policy of insurance upon the bottomry bond given on the Great Pacific, and the Court of Exchequer followed the decision of the Privy Council in *Stephens v. Broomfield*, L. R. 2 P. C. 516.

"*Utterly lost*," says Tilghman, C. J., "is a strong expression, intended, as I conceive, to be distinguished from *technically lost*. A ship is not utterly lost while she remains *in specie* in the hands of the owners. Had she been taken by an enemy, she would have been utterly lost to the owner. So, had she been burned or wrecked and gone to pieces. But she is not utterly lost merely because it may cost more than she is worth to repair her." *Insurance Co. of Pennsylvania v. Duval*, 8 S. & R. 138. This was the case of a respondentia bond of a form peculiar to Philadelphia, which, in case of *utter loss* of the vessel, entitled the lenders to a just and proportional average on cargo not unavoidably lost, and made the lenders liable to average and entitled to salvage in the same manner as if they were underwriters.

It is clear, therefore, that no utter loss of the vessel has happened which would render the contract void. The rights of the parties are dependent upon the state of facts at the time of the sale of the ship, when she existed *in specie*, and are not affected by the subsequent total destruction of the vessel. This was so settled by Mr. Justice Story, in the case of the *Draco*.

The clause of exception, which only applies in case of an utter loss, has no application to the case at bar. The rights of the bondholders are the ordinary rights of a lender upon maritime contracts of this description, in case of shipwreck, to the salvaged effects to the extent of his loan. The definition by Bynkershoek

of the contract shows what these rights are. He defines such contracts to be a pledge of the vessel, or other effects upon which the loan is made, and of what may remain of them after any event by which the personal responsibility of the borrowers is excused. Bynk. Quæst. Pub., lib. 3, chap. 16. By the French ordinance, tit. 5, art. 17, it was provided that, in case of shipwreck, the contracts of maritime loan shall be reduced to the value of the effects that are saved: "Seront toutefois, en cas de naufrage, les contrats à la grosse, réduits à la valeur des effets sauvés." Emerigon says: "From the moment of the accident, the lender is seised of right of the effects saved. He has a special lien upon them for the payment of his debt, saving the freight and salvage."

By the general marine law, the lender on bottomry is entitled to be paid out of the effects saved, as far as those effects go, if the voyage be disastrous. 3 Kent Com. (12th ed.) 359, 360. "The property saved, whatever may be the amount, continues subject to the hypothecation." The borrowers, in case of shipwreck, are not personally bound, except to the extent of the salvaged effects, or their proceeds, which come into their hands. *The Virgin*, 8 Pet. 538.

The bond in this case is upon both ship and cargo, a bottomry and respondentia bond united. The maritime risk, however, upon which the bond is conditioned, is that of the utter loss of the ship. It was suggested at the argument, that the two subjects of the hypothecation might be divided, and each governed by its own law-merchant. I think this contradicts that clause in the bond which provides that, in case of an utter loss of the vessel, the bond shall not be payable.

If at the time in reference to which the rights respectively of the lender and the borrower are to be determined, namely, the time when the sale took place, there had been an utter loss of the vessel, by either of the risks enumerated, I am of opinion that the bond would have been void, and the bondholders would have lost all claim, under this form of bond, to the cargo saved.

A case, in many respects like this, is put and answered in the second title of the twenty-second book of the Digests, entitled, *De nautico fœnore*, 6 Paulus, lib. 25 Quæstionum. "When maritime money is thus given, the lender has no right to demand his money unless the vessel arrives in safety, at the stipulated time. The obligation of the debt is extinguished by the non-

existence of the condition ; and therefore the lien on the pledge is also gone, even on those that are not lost."

In this case, the vessel did not arrive in safety, but the voyage being terminated by a sale at an intermediate place, while the vessel existed *in specie*, and was only constructively totally lost as affecting a contract of insurance, but not utterly lost within the meaning of the condition in a bottomry bond, the property salvaged continues subject to the hypothecation.

Judgment for defendants.

MARCH, 1875.

In re J. C. LORING. EDWARD S. JAFFRAY et al., Petitioners.

The District Court is authorized in bankruptcy to refer to the register a petition of a creditor praying that the proof of claim of another creditor be expunged on account of matters occurring since the claim was proved.

PETITION for review of a decree of the District Court of Massachusetts, in bankruptcy. Jordan, Marsh, & Co., creditors of J. C. Loring, a bankrupt, presented a petition to the District Court, representing that E. S. Jaffray & Co., of New York, after proving a large claim against the bankrupt's estate, brought an action of contract in New York against him upon the debt, and on execution obtained in that suit caused him to be arrested and committed to jail, and subsequently discharged him from the arrest. The petition prayed that the proof of Jaffray & Co.'s claim against the bankrupt's estate be expunged, and that the assignees be enjoined from paying them a dividend already declared, or any dividend. Upon this petition the District Court directed an order to show cause before the register, and granted an interlocutory injunction as prayed. At the time fixed for hearing by the register, Jaffray & Co. objected to any proceeding under the petition before the register, upon the ground that such a proceeding was not authorized by the thirty-fourth General Order in bankruptcy. The question thus raised was certified by the register to the District Court, and, upon hearing, the petitioners' objections were overruled and the hearing before the

register ordered to proceed; whereupon Jaffray & Co. brought this petition for review.

T. F. Nutter, Isaac Dayton, for petitioners.

Stephen B. Ives, Jr., Henry M. Rogers, for Jordan, Marsh, & Co.

SHEPLEY, J. This petition for the exercise of the revisory power of the Circuit Court over an order and decree of the District Court in bankruptcy presents this question: Has the District Court sitting in bankruptcy, authority, after a debt has been proved in the usual mode, to re-examine the claim and expunge or diminish it, or to refer it to a register for re-examination with a view to its being expunged or diminished, for causes, such as payment or other causes, alleged to have arisen after the proof was made? It is denied by the petitioner that this power exists except under a proceeding by bill in equity.

The twenty-second section of the bankrupt act authorizes the court to "reject all claims not duly proved, or where the proof shows the claim to be founded in fraud, illegality, or mistake."

The thirty-fourth of the General Orders in Bankruptcy provides as follows: "When the assignee or any creditor shall desire the re-examination of any claim filed against the bankrupt's estate, he may apply by petition to the register to whom the cause is referred for an order for such re-examination; and thereupon the register shall make an order fixing a time for hearing the petition, of which due notice shall be given by mail addressed to the creditor. At the time appointed, the register shall take the examination of the creditor, and of any witnesses that may be called by either party; and if it shall appear from such examination that the claim ought to be expunged or diminished, the register, if no objection be made, may order accordingly. If objection be made, the register shall require the parties then, or within a time to be fixed for that purpose, to form an issue to be certified into court for determination." This general order was promulgated by the Supreme Court of the United States under the authority conferred upon the court by the tenth section of the bankrupt act to frame general orders "for regulating the practice and procedure of the District Courts in bankruptcy, and generally for carrying the provisions of this act into effect." Whether the order be considered as indicating the construction which the court put upon the twenty-second section of the act, or as intended to regulate the practice and procedure in cases not

covered by the twenty-second section, the order clearly applies to the practice and procedure of the court in a case like this. and is one clearly within the power of the court to frame, not being repugnant to any of the provisions of the act, and within the purposes enumerated in the tenth section.

Petition for review dismissed.

MARCH, 1875.

WILLIAM W. TUCKER *et al.* v. CHARLES W. SLACK.

The selling agents of a manufacturing company, who sell all the company's goods at their place of business or that of their sub-agents, on behalf of the company, by samples only, the goods being delivered to purchasers direct from the company's factory, and the proceeds, if received by the agents, paid over to the company, are not liable to a special tax on such sales as wholesale dealers, under the act of June 30, 1864, as amended by the act of July 13, 1866 (14 Stats. 98).

The term "place of business" in sect. 9 of the act of July 13, 1866 (14 Stats. 113), exempting from special tax, sales by manufacturers of their own goods, wares, and merchandise, "at their principal office or place of business," if the goods, wares, or merchandise, are kept there only as samples, means the principal place of business for the sale of the goods, wares, or merchandise.

ACTION against the defendant, collector of United States internal revenue, to recover duties assessed upon the plaintiffs, and paid by them under protest. The case is stated in the opinion.

Henry D. Hyde, for plaintiffs.

George P. Sanger, for defendant.

LOWELL, J. This case was tried before us without a jury, and we find the facts to be as follows: The plaintiffs were the selling agents of four manufacturing companies, and sold all the goods for those companies, either by themselves at Boston, by their house in New York, or by their sub-agents in Philadelphia. All the sales passed through the books of the Boston house, and their place of business was the principal one for sales. They kept no separate bank-accounts for the different companies, but deposited the cash to their own credit, paying over from time to time as requested, and making a full settlement monthly. But separate sets of books were kept for each company, through which every sale could be distinctly identified; and when the payments were made in the notes of their customers, they were made

either to the order of the treasurer whose goods they represented, or, if the customer preferred it, to his own order, and were in all cases handed over to the treasurer. Notes were never made to the order of the plaintiffs; nor were sales ever guaranteed by them. Their agency was known to all their customers.

The plaintiffs kept only samples at their place of business, and the goods sold were delivered from the factory of the company on the plaintiffs' order. Goods occasionally found their way to the plaintiffs' place of business, but only when they had been mis-sent, or for some other reason had not been accepted by a customer.

Each of the companies for which the plaintiffs were selling agents had an office or counting-room separate from that of the plaintiffs', and in a different part of the city of Boston, at which the treasurer of the company transacted all the financial business. The treasurer was the superior officer, and was the person to whom the plaintiffs rendered their accounts, and from whom they were bound to take instructions.

The plaintiffs were assessed, monthly, as wholesale dealers, for the excess of their sales above \$50,000, under the statute of June 30, 1864, as amended by the statute of July 13, 1866 (14 Stats. 115), and paid, under protest, the several sums sought to be recovered in this action. Appeal was taken from the assessment, and was decided by the Secretary of the Treasury against the plaintiffs.

Upon this state of facts we decide that the plaintiffs are entitled to recover the several sums demanded by them, for the following reasons: The sales were made by the plaintiffs as agents of the several manufacturing corporations, and were made in such a mode and under such circumstances that it is clear an action could have been maintained by or against the several corporations directly upon the contract of sale. They were sales for a disclosed domestic principal, and were made by samples; the agents not having, so far as appears, any possession or any special property whatever in the goods. That they were the sales of the companies is further shown by the well-known and proper course of the officers of the revenue in assessing all these sales as the sales of the manufacturers. No question was made that the companies had returned all these sales, and paid the much more considerable tax upon them of five per cent *ad valorem*, so long as that tax remained assessable by law.

The statute declares that nothing contained in it shall require a special tax for the sale by manufacturers of their own goods, wares, and merchandise, at the place of production or manufacture, and at their principal office or place of business, provided no goods, wares, or merchandise, shall be kept, except as samples, at said office or place of business. Sect. 74, as amended, 14 Stats. 113.

It was argued that the office of the treasurer was the principal office of the company; and this appears to be so, if the statute refers to the office where the highest officer of the company transacted business; but our opinion is, that, whatever the meaning of the word "office," "place of business" in this section means the principal place for sales of goods. This is the subject-matter of the section. It was of no importance to the government whether the treasurer of the company had an office in the same building with the selling agent, or that the course of affairs might require different places for different parts of the company's business; what they were legislating about was the special tax on manufacturers, and they intended that the payment of the special tax by manufacturers should authorize them to make sales at their factory, and at one other and principal place of selling, whether the office or not.

This view of the case is confirmed by the provisions of sect. 82 of the principal act, a section which was not changed by the act of 1866, and which requires all manufacturers to furnish to the assistant-assessor a statement, subscribed and sworn to, or affirmed, setting forth the place where the manufacture is to be carried on, and the principal place of business *for sales*, the name of the manufactured article, &c. 13 Stats. 258. One purpose of this return was to enable the assessor to check the monthly accounts of sales, on which the large duty of five per cent was payable; but it was a part of the purpose, in all probability, to obtain a definite statement of the place of business at which the manufacturer considered himself entitled to sell under the seventy-fourth section, as his principal place, without further payment of a special tax.

We see very little reason to doubt that the words "office" and "place of business" are used disjunctively, and that a manufacturer might elect at which of them he would sell; and in this connection it may be noted that the seventy-fourth section, as it

stood in the act of 1864, was in this form: "Nothing herein contained shall *prohibit* the storage of goods, wares, or merchandise in other places than the place of business, nor the sale by manufacturers or producers of their own goods, wares, or merchandise, at the place of production or manufacture, *or* at their principal office or place of business, provided no goods, wares, or merchandise shall be kept for sale *at such office*." 13 Stats. 249. As amended, the section reads, as we have seen, that nothing shall be held to *require a special tax* of manufacturers selling at their factory, *and* at their principal office or place of business, provided no goods shall be kept, *except as samples*, at such office *or place of business*. We do not mean to say that the meaning is different, but it is much more clearly expressed, in the amended form, that manufacturers may sell at two places, if they please: namely, the factory, and at their principal office or place of business; but at that office or place of business, whichever it be called or whichever it in fact be, they must sell by sample.

If this interpretation be wrong, the law is not uniform, because the liability to this additional tax would depend on accidental circumstances, such as whether the manufacturer kept his accounts and transacted his financial business in one place or another. It would often be very difficult to say which was the principal place of business, if we are to compare the importance of different parts of the business. We know of no reason why selling is not as important an object with manufacturers as any other part of their business. But if the license is to sell at the factory, and at one other principal place of business *used for that purpose*, there is no difficulty.

For these reasons, we are of opinion that neither the manufacturing companies, nor their agents the plaintiffs, were liable to pay a special tax as wholesale dealers, in respect to these sales.

Judgment for plaintiffs.

APRIL, 1875.

DAVID M. WESTON *et al.* v. NATHANIEL NASH *et al.*

The specification of a patent for improvement in centrifugal machines for draining sugar and other substances, described several improvements. One of the claims was for certain devices "in such machines." *Held*, that the words "such machines" referred to centrifugal machines so constructed as to admit of the

operation of the claimed devices in substantially the described manner, and not merely to machines containing all the improvements described in the patent.

The invention described in the specification and claimed in the fifth claim of the reissue patent granted David M. Weston, Jan. 14, 1868, for improvement in centrifugal machines for draining sugar and other substances, is not anticipated by the English patents of Hardman and Alliot, dated respectively Oct. 5, 1843, and Feb. 3, 1851.

A patented improvement in centrifugal machines for draining sugar and other substances consisted in providing openings in the bottom of the revolving cylinder, for the discharge of the drained sugar, &c., and a cover, moving up and down, inside, and on the shaft of, the cylinder, for the purpose of closing the openings during the operation of draining, and uncovering them for the discharge. *Held*, that the patent was infringed by the use of a centrifugal sugar-draining machine, in which the openings in the bottom of the cylinder were closed and uncovered by a cover turning upon the shaft as an axis, instead of moving up and down upon it.

BILL in equity to restrain alleged infringement of reissued letters-patent granted Daniel M. Weston, Jan. 14, 1868, for improvement in centrifugal machines for draining sugar and other substances. The case is stated in the opinion.

George L. Roberts, for complainants.

James B. Robb, for defendants.

SHEPLEY, J. Letters-patent, reissue No. 2,845, issued Jan. 14, 1868, to David M. Weston, for improvement in centrifugal machines for draining sugar and other substances. Centrifugal machines had been long known and used, prior to the date of his invention, for the purpose of separating liquid from solid constituents when mechanically intermixed in the same masses. A metallic drum, with its cylindrical periphery perforated to form a strainer to retain the solid matter, while permitting liquids to escape, when subjected to centrifugal action, is so arranged and operated as to rotate with great velocity on its axis. The cylindrical strainer is surrounded by a casing which receives and carries off the liquids thrown through the apertures of the strainer.

When used for purging sugar from the menstruum of syrup or molasses, in which it had been crystallized by boiling, the mass of syrup and sugar was introduced into the rotary perforated cylinder, or basket, and revolved at a high rate of speed. The centrifugal force, in a few minutes, eliminated all the syrup through the sieve, leaving the crystals of the sugar standing in a perpendicular wall around the inner surface of the cylindrical sieve. The invention of Weston embraced two contrivances: one to obviate the tendency of the basket to vibrate in its bearings when carrying an unbalanced load; and the other, means for

the rapid and easy removal of the sugar from the basket after it had been purged from the syrup.

The inquiry in the present case relates to the complainants' mode of "construction of the cylinder by means of which the contents of the same may be more readily discharged than by the method usually employed, and consists in forming openings in the bottom of the cylinder around the shaft, which are closed by a valve or cover, as will be more particularly described."

The method usually employed to discharge the sugar had been to take it out of the same opening at the top of the cylinder, through which the syrupy mass had been introduced to be operated upon. Weston constructed openings in the bottom of the cylinder, in the annular space surrounding the shaft, and between the shaft and the perpendicular wall of the sugar. These openings are closed by a movable cover, which surrounds the shaft, and is formed with a sleeve extending upward around the shaft a sufficient height to prevent any liquid matters that may be put into the cylinder from escaping between the valve and the shaft. The valve, with its sleeve, slides loosely up and down on the shaft which it surrounds. After the materials contained in the revolving cylinder have been acted upon, and the liquids separated and discharged through the apertures in the sides by the centrifugal force thus created, the valve is raised, sliding upwards freely on the shaft out of the way, and the contents of the cylinder are discharged through the openings in the bottom.

The centrifugal cylinder in the Weston machine is suspended from a flexible elastic bearing which supports the rotating parts of the machine and its contents in such a manner as to permit them to revolve about an axis varying in position according to the weight of the material in motion. The rotary cylinder is actuated on a hollow shaft, which is supported and runs upon a spindle or axle within it, suspended from the elastic bearing above. These contrivances for suspending and rotating the cylinder, which form a separate and important portion of the Weston improvements, are not in controversy in this case, and are only alluded to in this connection from the incidental connection they have with the means of discharging the cylinder, by reason of the fact that this mode of suspending the cylinder leaves a free and unobstructed space beneath the openings in the bottom of the cylinder, so that when the contents are discharged

through the openings they fall by gravity entirely clear of the machine.

The claim in the patent is as follows: "5. The construction of the openings, I, in the bottom of the cylinder, in such machines, and the valve, J, for the purpose of closing the same, substantially as described."

The words "in such machines," in this claim, undoubtedly refer to centrifugal machines. It is claimed by defendants that they refer to such centrifugal machines only as are constructed in all respects like those described in the specification. This, I think, is too narrow a construction of the claim. The true construction of the claim is that which makes it coextensive with the invention. "Such machines" means such centrifugal machines as are so constructed as to admit of the application and operation of the claimed devices in substantially the described mode and by substantially the described means. The unauthorized use of the complainants' openings and valve would be an infringement if used in centrifugal machines, to which they could be usefully applied by reason of there being an unobstructed space at the bottom of the machine into which the sugar could fall, although the cylinder were not suspended from a flexible elastic bearing like that described in the complainants' patent. The claim covers the application to centrifugal machines so constructed in other respects as to be adapted to the application and proper working of the patented devices hereafter named, of openings in the bottom of the cylinder, and a valve for closing such openings; such openings and such valve being constructed substantially as described.

The British patent, granted to Hardman, Oct. 5, 1843, shows a bottom plate, with openings or valves for the discharge of the sugar. A disk or plate is kept up against the under side of the bottom, so as to close the openings when the machine is in operation, by means of a nut and spring, and, by the same means, is withdrawn after the operation is completed, giving vent to the discharge-valves. There is no evidence that this Hardman machine ever went into practical use. It did not possess any advantage in construction over the centrifugal machines, in the use of which the sugar was discharged by lifting it over the top of the basket. The evidence proves that it would take more than double the time to discharge the sugar in this mode than by the

old way of discharging over the top, and ten times as long as to discharge from the Weston centrifugal cylinder. It differs from the Weston contrivance in the essential particulars of being without a practically unobstructed place for the discharge of the sugar. The plate, when withdrawn as far as possible from the openings, still remains directly under them, so much so as to obstruct the free discharge of the sugar. This is an important element in the operation; for the crystals of sugar, when first discharged, are moistened on their surface with some adhering syrup, and do not glide or fall freely away from inclined planes, but accumulate and remain at rest. The manipulation of the nut from below the cylinder, and the keeping the plate clear from the falling mass below the cylinder, while, at the same time, the operator must be concentrating the sugar over the openings from the upper side of the bottom plate, would be attended with great difficulty and inconvenience; and various other differences make this an impracticable contrivance. Many of these observations apply with equal force to the Alliot patent, also an English patent, granted Feb. 3, 1851, though in some particulars the Alliot device more nearly resembles that of Weston. But the Alliot cylinder had the bearings of the shaft and its foundations directly under the cylinder. Consequently, there was no free, unobstructed space below the cylinder into which the sugar could be discharged. A funnel is arranged in the pan, or casing, to receive the sugar, and this is too contracted to allow the sugar to flow freely through it. The cylinder must be rotated to bring the hole over the funnel, and held there while the sugar is being discharged, otherwise the sugar would fall into the syrup in the pan. Without the aid of the drawings, or a model, it is not easy to point out intelligibly all the differences between the Hardman and Alliot devices and the invention of Weston. But an inspection of models and drawings exhibits readily to the eye not only the diversities between Weston's device for discharging the sugar and those which preceded it, but also shows the impracticability of both Hardman's and Alliot's. This entire failure of either of those devices to accomplish the result aimed at by them, and arrived at in the Weston device, is proved by the fact, that, while there is no evidence that either Hardman's or Alliot's device went into practical use, the Weston device has been almost universally adopted in this country, and extensively in Great Britain, France, and

Germany, and to a very considerable extent in all sugar-producing countries.

The proof of infringement in this case depends upon the question whether the valves and openings of the defendants are substantially like those of the complainants in construction and operation, differing only in form. The Weston and Hepworth devices for discharging the sugar are alike in the following characteristics of construction and mode of operation: Each has central openings around the shaft, through which the sugar is discharged into a space below it practically free and unobstructed. These apertures in each are opened and closed from the interior of the basket, and not below the bottom. Each has a central opening through the bottom of the casing, or curb, to permit the discharge of the sugar into a receptacle below the machine. The apertures in both are opened and closed by a central valve surrounding the shaft, extending above the surface of the liquid mass when introduced into the machine. The construction and mode of operation in discharging is substantially the same, differing only in the manner of opening and closing the valves, by turning the Hepworth valve on the shaft, while the Weston valve is raised and lowered. This is not a substantial difference, even if it be an improvement. It is but another form of the same device, with the same mode of operation, so far as the operation is concerned, to which the whole device relates, that of discharging through the bottom of the cylinder the purged contents of the charge.

Decree that defendants infringe the fifth claim of complainants' patent, and for injunction and account.

APRIL, 1875.

STEWART HARTSHORN v. JAMES F. ALMY *et al.*

The claim of the reissue patent for improvement in spring-fixtures for shades, granted Stewart Hartshorn, Aug. 27, 1867, construed with reference to the actual invention of the patentee, is not limited to the peculiarly shaped pawl and ratchet described in the specification and mentioned in the claim. The claim is infringed by any arrangement of a pawl and ratchet such that they will engage on checking the upward movement of the shade, and the shade thus be retained at any desired height, by simple manipulation of the shade itself.

SHEPLEY, J. The bill in this case is brought for alleged infringement of reissued letters-patent No. 2,756, dated Aug. 27, 1867, granted to Stewart Hartshorn for improvement in spring-fixtures for shades.

The claim is for the application to a shade-roller, provided with a spiral spring for automatically raising or rolling up the shade, of a pawl and ratchet, or notched hub, so arranged that the former will engage with the latter at any point or height, of the shade, by simply checking the rotation of the roller and the upward movement of the shade under the influence of the spring, substantially as set forth.

Upon the construction of this claim depends the question of infringement in this case. Defendants contend for a construction which will limit the claim to the peculiarly shaped pawl and the peculiarly shaped ratchet described in the specification of the patent. Complainant contends for a construction which will embrace, in combination with the other elements, any pawl and ratchet, or notched hub, so arranged that the former will engage with the latter at any point or height of the shade by simply checking the rotation of the roller and the upward movement of the shade under the influence of the spring, substantially as set forth.

The state of the art before the invention of Hartshorn was this: A roller was used having within it a coiled spring, one end fixed to the roller and the other end to a loose journal of the roller; a pawl and ratchet were so applied to the roller that the pawl would hold the roller against turning under the action of the spring, but allow the roller to be turned against the action of the spring. The ratchet lifted and disengaged the pawl from the ratchet in a downward pull of the curtain. These rollers were adapted, like the Hartshorn, to be hung in brackets. In the form of spring-fixtures for shades which was known as "the Coach fixture," and in use prior to Hartshorn's invention, a cord was used to lift the pawl and disengage it from the ratchet when it was desired to allow the curtain to roll up under the action of the spring. Hartshorn's invention differed from those which had preceded it in that it dispensed with the cord used to disengage the pawl from the ratchet when the curtain is to be rolled up, and operated the fixture wholly by means of the shade or curtain. The operation of Hartshorn's fixture, so far as concerns winding

up the curtain and stopping it at any desired height, is as follows: A pawl is attached by a pivot to one of the brackets in which the shade-roller is hung. The end of the pawl opposite the pivoted end has a tendency to fall by gravity on a hub attached to one end of the roller. Two notches are made in the periphery of this hub. The width of these notches is but slightly in excess of the width of the toe of the pawl. The ratchet supports the pawl for the full extent of its periphery, except as to the slight difference in excess between the width of the ratchet notch and the width of the toe of the pawl. Should the roller be revolving rapidly, the width of the ratchet notch will pass under the width of the toe of the pawl before the toe of the pawl has had sufficient time to gravitate into the ratchet notch. This space of time is very short, for it is only while the excess of width between the width of the notch and the width of the toe of the pawl is passing under the toe of the pawl. This only allows the pawl toe to gravitate into and engage with the ratchet notch under a slow movement of the roller. Under a quick revolution of the roller the pawl toe will not be unsupported by the periphery of the ratchet for a space of time sufficiently long to allow it to gravitate a sufficient distance into the ratchet notch to become engaged with it while the ratchet notch is passing under it. The patentee also states that, if desired, the pawl may be placed underneath or at one side of the hub instead of over it, as represented, and a spring be made to bear against it, in order that its projection may engage with the notches.

It will thus be seen that the invention of Hartshorn consisted (so far as concerned the spring-roller shade-fixture) in dispensing with the weights, counterpoises, and pulleys, which had been previously employed, and also with the cord which had been employed to operate the pawl and disengage it from the ratchet notch, and so arranging the pawl and ratchet that the shade may be stopped and retained at any desired point within the scope of its movement by a simple manipulation of the shade itself; the arrangement of the pawl and ratchet being such that the former will engage with the latter at any point by simply checking the rotation of the roller and the upward movement of the shade under the influence of the spring.

In the fixture of the defendants the pawl or pin engages with the notch by the force of gravity acting on the pin. This mode

of engagement is like that in the Hartshorn fixture. In the Hartshorn fixture the pawl is kept away from its engagement in the ratchet notch by being raised by the periphery of the hub, and kept up by portions of the periphery of the hub until the notch is under it, and it is raised so high by the non-holding wall of the notch, that, when the roller is rotating freely under the action of the spring, it will not have time to fall far enough to engage with the holding wall of the notch during the time the notch is passing under it. In the defendants' fixture the pin or pawl is kept from engagement in the ratchet by centrifugal force. It is not supported by the periphery of the hub, or raised by the non-holding wall of the ratchet, or knocked up slightly by the blow of the holding wall of the ratchet as in Hartshorn's fixture. In the Almy roller there is a thimble with a side aperture surrounding the hub, forming a closed chamber when covered by the end cap of the roller. In this chamber is placed a little roller or pin lying horizontally, and allowed to revolve loosely, and in the rapid revolution of the roller to be thrown above the periphery of the notched hub by centrifugal force; but when the roller is revolved slowly, or its motion is arrested, the loose pin, roller, or pawl falls on to the hub and into the notch, and in rolling up the curtain it is caught between that part of the notch which is at right angles with the axis of the hub and the shoulder formed in the thimble at the pin-chamber. In this respect the pawl and ratchet in the defendants' may be properly said to have a different operation from the pawl and ratchet in the Hartshorn fixture. In a similar sense the pawl and ratchet in the Hartshorn patent operates in a different manner when actuated by a spring in one of the modes described in the patent and when left to engage by the pawl falling into the ratchet notch by gravitation, as in the mode stated as the preferable mode in that patent. In both the Hartshorn and the Almy roller the pawl and ratchet are so arranged that the one will engage with the other, at any point or height of the shade, by simply checking the rotation of the roller and the upward movement of the shade, under the influence of the spring, by simply manipulating the shade; dispensing with counterpoises, or the usual cord for operating the roller, or the cord for holding the pawl disengaged. In this respect, wherein Hartshorn differed from all that had preceded him, the mode of operation is the

same; and even if Almy's fixture has some advantages over Hartshorn's, it clearly embraces what was his invention, and is secured by the claim of his patent, and is an infringement. As stated by Judge Blatchford in the case of *Hartshorn v. Tripp*, in the Circuit Court for the Southern District of New York, "there is no difference between these two modes of operation in the withholding from engagement, so far as regards the real invention of the plaintiff and the scope of the claim of his patent."

Decree for injunction and account.

S. D. Law, for complainant.

J. E. Maynadier, for defendants.

MAY, 1875.

HENRY W. PUTNAM v. EPHRAIM D. WEATHERBEE *et al.*

An invention of an improvement in bottle-stopper fastenings, consisting of a U-shaped movable wire fastener extending over the top of the stopper and connected with another wire surrounding the neck of the bottle, held not anticipated by a previously patented U-shaped movable fastener. made of sheet metal, extending over the stopper and connected with a sheet-metal strap around the neck of the bottle; it appearing that the wire fastener possessed great practical advantages over the other, and that the result accomplished by it was different, in that the wire fastener became embedded in the cork by pressure from within the bottle, and yet could be pushed from over the cork without injury to the thumbs of the operator or to the cork.

BILL in equity to restrain alleged infringement of reissued and extended letters-patent dated Jan. 19, 1864, granted to Henry W. Putnam for improvement in bottle-stopper fastenings.

Thomas H. Dodge, for complainant.

B. F. Thurston, for defendants.

SHEPLEY, J. This invention is more particularly applicable to fasteners for the corks or stoppers of bottles for aerated waters. These bottles are generally filled under a pressure of two or three atmospheres, for the purpose of holding in solution the carbonic acid gas with which the liquid is charged. The corks are forced down by the plunger of the bottling-machine; and it is desirable to have a stopper-fastening which can be turned over the cork while the cork is under the plunger, which shall hold the cork securely against the pressure tending to force it out, and to

“trip” the fastener after the plunger is withdrawn, which can be withdrawn in one direction from over the stopper when desired, and left in good condition for future use. The nature of the complainant’s invention is stated by him to consist “in forming the fastener of wire, bent in such a manner that if the pressure upon the cork is sufficient to bind said wire-fastener it will retain the cork more firmly, and the cork required to be pushed in before the fastener can be pushed aside, thus causing the pressure to render the fastening more secure instead of more liable to failure.”

In view of the state of the art as disclosed in the evidence, I find nothing in the previous inventions relied upon as anticipating the complainant’s invention, which requires any extended statement, as, if the invention of Putnam was anticipated, it must have been by the invention described in the letters-patent granted to John Allender, July 24, 1855, the bottle-stopper fastener of Allender most nearly approximating that of Putnam.

The Allender fastener, at first glance, appears to embody nearly every substantial characteristic of the first claim in the Putnam patent. Like the Putnam, it is intended and adapted for use in bottles to be filled with aerated liquids by means of a bottling-machine. It has a hinged bail or yoke of U form, to allow room for the cork-forcing plunger of the bottling-machine, and to allow the fastener to be applied while the plunger is holding down the cork. Like the Putnam, it is adapted to be used with successive corks, and is a permanent fastener. Putnam appears to have been aware of the existence of the Allender patent, for he disclaims “a fastener made of sheet metal with a U-shaped opening to pass the plunger;” which disclaimer was clearly intended to apply to Allender’s device. The Commissioner of Patents, in granting the Putnam patent, and also in extending it when the extension was opposed, must have been satisfied that the use of the U-shaped wire yoke or bail in the Putnam fastener, with its ends returned and hinged upon the wire surrounding the neck of the bottle, contained something more than the mere substitution of the wire U-shaped yoke in the Putnam, for the sheet-metal U-shaped yoke in the Allender, fastener. The mere substitution of one known material for another in a known combination is not the subject of letters-patent, though such substituted material is a cheaper or better one for the purpose. *Bean v. Smallwood*, 2 Story, 411;

Hotchkiss v. Greenwood, 11 How. 248; *Stimpson v. Woodman*, 10 Wall. 121. Of late, great care has been exercised at the Patent Office, and the recent very intelligent decisions in the Patent Office, refusing to issue patents where there has been only the exercise of taste and good judgment, without invention, in the substitution of one material for another in a known combination, require the courts to give to the decisions of the office a most respectful consideration. I think it appears, from the evidence in this case, that there are not only great practical advantages in the use of a wire bail over the sheet-metal fastener, but that the result claimed by the patentee, and aimed at in his invention, of embedding the wire in the cork under pressure from within the bottle, so that it is impossible to swing the fastener to the left without first pressing the cork downwards, thus preventing the fastener from tripping, while at the same time it presents a change of form (the convenient form of the Putnam fastener allowing it to be pressed off or aside from the cork without injury to the thumbs of the operator or to the cork itself), presents a patentable difference, and not such a mere substitution of one material for another as would exist in the case of the substitution of wire of one metal for wire formed of a different metal, in the same form of fastener. It is not always easy to draw the line of distinction between the embodiment of invention and the mere exercise of judgment and mechanical skill, and not without some hesitation have I reached the conclusion that there is sufficient invention in this case to sustain the first claim of the patent, in view of the state of the art as existing at the time of the Putnam patent.

The only remaining question is as to infringement. Construing the patent, as I do, that the return of the wire from the U does not mean necessarily a retroversion of the wire in the same direction, and then a bending down at right angles, or nearly so, towards the neck of the bottle, but is sufficiently answered by a return at right angles, or nearly so, towards the neck of the bottle, the infringement in this case is clear. The defendants' fastener has the wire returned so that the direction and result of the strain between the neck of the bottle and the surrounding wire and the U-formed fastener is the same as in the Putnam device.

Decree that defendants infringe the first claim of complainant's patent, and for injunction and account.

JUNE, 1875.

ALDEN CHOATE *et al.*, Appellants, v. SAMUEL W. MEREDITH,
Libellant.

A bill of lading provided for demurrage after lay-days beginning "twenty-four hours after arrival at the above-named port, and notice thereof to the consignee." When the vessel arrived at the port named in the bill of lading, the consignee's wharf was inaccessible on account of ice and lack of sufficient water; whereupon the master took her to the only accessible wharf in the port, and notified the consignee, and offered to deliver the cargo, which offer was not accepted. *Held*, that the lay-days began to run twenty-four hours after notice to the consignee.

ADMIRALTY appeal from a decree of the District Court of Massachusetts. The libel was brought by the master of a schooner, for demurrage, under the provisions of a bill of lading of a cargo of coal consigned to the appellants. The material facts of the case are stated in the opinion.

M. F. Dickinson, Jr., for appellants.

Charles F. Walcott, for libellant.

SHEPLEY, J. The libellant was master of the schooner E. I. Heraty, which brought from Philadelphia to Lynn a cargo of two hundred and forty tons of coal, consigned to appellants. The bill of lading undertook to deliver the coal to appellants at Lynn, for the agreed freight, and was in terms made subject to the conditions of the bill of lading adopted by "Vessel-owners' and Captains' Association." The reference was to the following clause for demurrage: "And twenty-four hours after arrival at the above-named port, and notice thereof to the consignee named, there shall be allowed for receiving said cargo at the rate of one day, Sundays and legal holidays excepted, for every hundred tons thereof; after which the cargo, consignee, or assignee, shall pay demurrage at the rate of eight cents per ton a day, Sunday and legal holidays not excepted, upon the full amount of cargo as per this bill of lading, for each and every day's detention, and *pro rata* for parts and portions of a day, beyond the days above specified, until the cargo is fully discharged."

The schooner arrived at Lynn, and reported to appellants on the morning of Saturday, Jan. 11, and was fully discharged Thursday, Feb. 13, making twenty-seven days beyond the stipulated time. When the schooner arrived at Lynn, the harbor was much ob-

structed by ice. By reason of the ice, and because the schooner drew more water than was to be found at appellants' wharf, excepting during a high course of tides, such as occurred twice a month, the appellants' wharf was inaccessible. During the delay, libellant took a steam-tug and broke through the ice, and carried his vessel to a coal-wharf in Lynn, known as Lamper's Wharf, where he offered to deliver the coal; which offer was not accepted. Without waiving their rights, however, the appellants did take out about sixty tons of coal at Lamper's Wharf; and the schooner was moved towards the appellants' wharf, but grounded, and was frozen in.

In the case of *Aylward v. Smith*, decided in this court at the October Term, 1873, affirming the decree of the District Court, it was held, in the case of a bill of lading in the old and usual form, with an agreement for demurrage "after three days," that the lay-days did not begin until after the arrival at the wharf; and as in that case the schooner was frozen up thirty-five feet from the wharf, which was too far for safe delivery of the cargo, that the voyage was not completed, and the lay-days had not begun.

In this case, as the contract stipulates that the lay-days shall commence "twenty-four hours after arrival at the port, and notice thereof to the consignee," and as the vessel arrived at the port, and gave the notice to the consignee, and there were suitable wharves accessible, to which the consignee could have ordered the vessel, although his own wharf was obstructed, the time commenced to run twenty-four hours after the arrival and notice to the consignee.

The new form of bill of lading seems to have been adopted to secure the ship-owner against the delay consequent upon an obstruction of the consignee's wharf by other vessels or from other causes, and against being compelled to await his turn to unlade at the consignee's wharf. Under this form of bill of lading, if the consignee desires to exercise the right of requiring the master to unlade at the consignee's wharf, he must pay for the detention consequent upon that wharf's being inaccessible, if there are other suitable and convenient wharves accessible after the arrival of the vessel in port, at which the vessel may be unladen.

Decree of District Court affirmed, with interest and costs.

APPENDIX.

MASSACHUSETTS DISTRICT.

NOVEMBER, 1870.

AMERICAN HIDE AND LEATHER SPLITTING AND DRESSING MACHINE COMPANY *v.* AMERICAN TOOL AND MACHINE COMPANY *et al.*

Under the act of March 3, 1839 (5 Stats. 353), a patent is invalid, if the patented invention was in public use (unless merely for purposes of experiment), or on sale, with the consent or allowance of the inventor more than two years before his application for the patent.

An inventor may abandon his invention to the public at any time.

Abandonment is a matter of fact to be proved. It is never to be presumed.

The "public and common use" in the United States necessary, under the sixth section of the act of March 3, 1839, to invalidate a patent for an invention previously patented in a foreign country, is a common and general use by the community.

What would amount to such use depends upon the nature of the invention patented.

It is not necessary that the drawings of a patent should be capable of use as working drawings, or that a machine made according to the exact scale of the drawings should be an operative machine. It is sufficient that the invention be so described and shown that one skilled in the art to which it relates would be able, by the aid of the description and drawings, to embody the invention in an operative and efficient form.

Where, in a suit for infringement of a patent, no question is made by the pleadings as to the novelty and originality of the patented invention, and the prior use relied on in defence is a use by the inventor or under his license, it is not necessary to give notice of the persons so using the invention, or the places where it was used.

If an inventor has abandoned his invention to the public, his right to a patent therefor is irrevocably lost.

ACTION on the case to recover damages for alleged infringement of letters-patent, granted Joseph F. Flanders, the inventor, and E. G. Allen, his assignee, Aug. 14, 1860, for an improvement in leather-splitting machines. The patented improvement was par-

ticularly applicable to leather-splitting machines in which was used for splitting the leather a belt-knife consisting of an endless band of steel running over two pulleys. The "belt-knife" had been patented to Flanders and J. A. Marden Aug. 29, 1854. The object of the invention shown in the patent in controversy was to overcome difficulties found in the way of splitting the leather to a uniform thickness. The desired result was described in the specification as "effected by the use of a sectional roll, consisting of rings hung loosely upon a shaft immediately under the leather, and made to have an upward bearing thereon by means of an india-rubber roll, or other suitable elastic bearing, that presses upward against the rings." The specification also stated, that, although the sectional roll might be placed directly over the elastic roll, the patentee, for reasons given, preferred to place it "a little to one side of the vertical axis" of the elastic roll. The claims of the patent were:

"*First*, The arrangement of sectional rollers for the direct or immediate support of the hide, or leather, at the delivery of the same to the edge of the circulating knife, in combination with a roller located below the sectional roller, and constructed as described, with elastic surface and fixed bearings.

"*Second*, Placing the sectional roll to one side of the vertical axis of the elastic roll, as described."

The defendant contended that the patent was invalid: 1. Because the patented invention had been in public use and on sale, with the consent and allowance of Flanders, more than two years before his application for a patent therefor. 2. Because Flanders had abandoned the invention to the public before the grant of the patent therefor. 3. Because he had obtained a patent for the same invention in England more than six months before his application for the patent in controversy, and the invention had been introduced into public and common use in the United States before such application.

Baxter E. Perry, Alfred B. Ely, for plaintiff.

George L. Roberts, for defendants.

SHEPLEY, J. This is an action brought by the American Hide and Leather Splitting and Dressing Machine Company, as plaintiff, against the American Tool and Machine Company and George H. Fox, as defendants, for an alleged infringement of letters-patent of the United States, granted Aug. 14, 1860, to

Joseph F. Flanders, the alleged inventor, jointly with one Enos G. Allen, to whom Flanders had assigned one-half of his interest prior to the issue of the letters-patent, which, by mesne assignments, are alleged to have passed to the plaintiff corporation before the date of the infringement complained of.

The defendants do not deny, and for the purposes of this trial it is admitted, that they made and sold one machine embodying the invention described and claimed in the letters-patent declared on; and that, therefore, they have infringed the plaintiff's rights, unless they have established by evidence one or more of the defences set forth in their special pleas, or have proved to the satisfaction of the jury one or more of the special matters in defence of which they gave notice under the statute.

The principal grounds of defence relied upon in this case are: *First*, that the invention was in public use and on sale, with the knowledge and consent of the inventor, more than two years prior to his application for a patent; *second*, that he had abandoned the invention to the public prior to his application for a patent; and, *third*, that the same invention had been patented by him in England more than six months prior to his application for a patent in the United States, and had been introduced into public and common use within the United States prior to his application for a patent in the United States.

Now, as to the first of these three grounds of defence, the act of March 3, 1839, modified the law of patents as it existed under the act of 1836, and as it had previously existed with regard to the public use of the invention prior to the application for a patent. Since the act of March 3, 1839 (except in case of proof of abandonment to the public, or what perhaps would be a better term, dedication to the public, though I have used the words of the statute), no purchase, sale, or use of the invention invalidates a patent, unless such purchase, sale, or use has been for more than two years prior to the application for a patent; but a public use or sale of the invention, with the knowledge and consent of the inventor more than two years prior to his application, does invalidate a patent and make it void.

The burden of proof is always on the defendant who sets up such prior sale or use; and he must show it to have been with the knowledge and consent of the inventor, and to have been public in the ordinary way of a public use or sale of a machine,

and not to have been a use for the mere purposes of experiment. But if it is in public use or on sale with the consent or allowance of the inventor more than two years prior to his application for a patent, and not in use merely for the purposes of experiment, then, as I have already instructed you, the patent is void. I shall have occasion to call your attention more particularly to this matter hereafter, when I come to refer to the special instructions which have been asked for in relation to some of the questions arising with regard to public use and to abandonment.

In this view of the law, gentlemen, what is the testimony in relation to the public use and sale of this invention more than two years prior to the application? The date of the application for this patent is April 11, 1860. About that, there is no controversy. The question, then, under the first branch of defence, for you to consider, is, whether this invention was in public use or on sale with the knowledge and consent of the inventor prior to April 11, 1858. Such public use, within the statute applicable to this branch of the defence, may be by the inventor himself, of one machine, or by any other person, with his knowledge and consent or approval. I do not instruct you, as matter of law, that such public use or sale of one machine would necessarily involve it; but I say the jury are authorized, if they find one machine to have been in public use or on sale, with the knowledge and consent of the inventor, more than two years prior to his application for a patent, to find that sufficient to make the patent void.

This is distinguishable from the "public and common use," which I shall have occasion to refer to hereafter, and which makes a patent void if it continues for more than six months before the patent is applied for in this country after the inventor has taken out one in England. That "public and common use" is a different use from the "public use" referred to in the sixth section of the statute of 1839.

It is not my purpose or intention, gentlemen, to recapitulate to you the testimony in this case, but only to call your attention to enough of the evidence, on either side, to enable you to understand the application to that testimony of the principles of law which I shall state to you.

The Flanders and Marden patent of Aug. 29, 1854, was obtained for the rotating knife, which has been explained to you

and exhibited in the drawings and models. Under that patent, which passed through successive mesne conveyances into the possession of a corporation bearing the name of the American Leather-Splitting Company, to the titles of which the present plaintiff corporation is the successor, the first machine which was constructed by the inventor, Flanders, originally contained only the application of this rotating knife to an old machine which was then in existence; and this first machine, as he constructed it, contained apparently no new device except that of the rotating knife; but before he conveyed his interest in this patent and in the machine, which was then in the process of manufacture and perfection, to his sub-owners, and before they conveyed to the American Leather-Splitting Company, the device of the sectional rollers and the rubber roller, according to the testimony as I understand it, and as I understand it to be uncontradicted, was inserted in the machine which passed to them; and if I understand the testimony rightly, the American Leather-Splitting Company never made, never sold, never put on sale or exhibition, or had manufactured, any machine that did not contain this device of the sectional rollers and the yielding elastic rubber roller upon which they rested.

With the exception of the first machine which went into Sibley's shop, in Hawley Street, and which was never sold to the public, but was only being manufactured for the purpose of experiment, some time in the year 1855, I have failed to see any evidence in this case (you will judge, gentlemen) that any machine was ever made by Flanders, by his grantees, or by anybody under that patent, or was ever put upon sale or upon exhibition, which did not contain the device of the sectional rollers and the rubber roller, substantially as set forth in the subsequent patent of Aug. 14, 1860; that is to say, according to the testimony of witnesses examined on the respective sides, the device of the sectional rollers, resting upon this rubber roller which had a fixed axis of revolution so as to embody the principle of adapting the under surface upon which the leather rested to the inequalities of the thickness of the leather to be split, so that, however unequal the under surface might be, the upper surface should always be in a line parallel with the gauge-roller above it, so that the knife should cut from the leather a slice or layer or stratum, which should be of uniform thickness. I say, there is

no question in this testimony, so far as I have seen, that this device of the sectional rollers with the rubber roller, thus put in for that purpose, was in every machine that ever was held out here to the public as a leather-splitting machine under the Flanders and Marden patent.

That does not make it certain that this device passed by title to the American Leather-Splitting Company, or that it ever came by mesne assignments down to the present company, who are the successors to the title of that company in the Flanders and Marden patent. It does not follow, because that device was in those early machines, that it ever came to the defendants, who own the rights under that patent in two States, or in the State of Massachusetts, which is enough for the present inquiry. These defendants have no record title. I instruct you that they have no record title to Flanders's invention of this device under the conveyances which have been read to you. Flanders did not undertake to convey to those under whom they claim title any thing but what his patent of Aug. 29, 1854, described, and that was his rotating knife.

But then, gentlemen of the jury, you are to inquire whether he did or did not at the same time convey to them a machine embodying this device, and whether he did or did not, as a stockholder in the American Leather-Splitting Company, and as their agent, under the patent and rights so conveyed to them, introduce to the public and put on sale and in public use a machine embodying this invention, which he has described in the patent of Aug. 14, 1860.

And if you find that prior to April 11, 1858, that corporation, with his knowledge and consent or allowance, or that he himself, acting as the representative and agent of that corporation, sold one or more of these machines, embodying not only the invention which he had described in the Flanders and Marden patent, but also the device referred to in the first two claims of the patent of Aug. 14, 1860, and called here the sectional rollers and rubber roller; and if you further find that the machine thus put in public use and on sale prior to April 11, 1858, was, so far as the invention of that device was concerned, an effective, operative, and useful machine; that is, that the machine successfully, for practical use, split leather, holding it up to its proper position to be split by the operation of the devices described in the

patent of Aug. 14, 1860, so as to retain the upper surface of the leather in a line parallel with the cutting knife and so as to cut the upper portion of the leather of a uniform thickness without regard to the inequalities in the thickness of the under portion: then the patent obtained by him afterward for the invention of this device was void; and it would be a fraud upon the public, to whom those machines had been sold, and a fraud upon that corporation whom he had thus allowed to incorporate and sell this device in those machines, for him to attempt to set up this patent against them.

Much has been said to you about the rights and claims of the inventors. An inventor has no right to his invention at common law. He has no right of property in it originally. The right which he derives is a creature of statute and of grant, and is subject to certain conditions incorporated in the statutes and in the grants. If to-day you should invent an art, a process, or a machine, you have no right at common law, nor any absolute natural right, to hold that for seven, ten, fourteen, or any given number of years, against one who should invent it to-morrow, without any knowledge of your invention, and thus cut me and everybody else off from the right to do to-morrow what you have done to-day. There is no absolute right, or natural right at common law, that I, being the original and first inventor to-day, have to prevent you and everybody else from inventing and using to-morrow or next day the same thing. But there is a statutory right, a public grant of a monopoly, which does enable you or me to do this. If we are the original and first inventors, the law secures to us a monopoly of the invention for a given number of years, upon certain conditions; and one of those conditions is, that we shall not put this invention on sale or in public use, and then, after the lapse of more than two years, treat as infringers everybody else who has it in public use or on sale, and who may not have it by grant from us.

The condition is no more inequitable than the grant itself. The patentee gets his right to the patent, not on the ground of any inherent natural right which he has, or right at common law, but because he is entitled to it by the terms of the statute of the United States which gives it to him; and, therefore, he has no rights except in compliance with those terms and upon those conditions.

Now, gentlemen, you will apply these principles to the consideration of the testimony in this case. You will consider, in the first place, whether these machines were put on sale or in public use prior to April 11, 1858; whether Flanders knew it, and allowed it, or consented to it. You will then consider whether the machines which he had in use and on sale, if any, or which were put on sale and in public use prior to April 11, 1858, with his consent or allowance, embraced and embodied the devices and the invention described in the letters-patent of Aug. 14, 1860. If you find they did, you will then consider whether those machines so put on sale or in public use were effective, operative, successful machines, competent to do the work which that invention was calculated and intended to perform; and then you will consider whether such machines were put on sale or into public use as matters of profit and gain, or whether it was for the mere purpose of experiment and perfecting the invention.

I instruct you upon this point that if Flanders, with the consent of those to whom he had sold the Flanders and Marden patent for the rotating knife, or with the consent of the purchaser from them of a machine embodying that invention, attached to that machine an invention which he had made separate and distinct from the invention described in that patent; and if he put it on for the mere purpose of experiment, to see whether it would work, and with the view of perfecting it as a separate invention, and not for the purpose of rendering the machine which had been sold perfect as an operative machine; that would not be such a public use or sale as would invalidate his patent, or deprive him of the right to a patent.

In that view, gentlemen, you will take into consideration the testimony which has been introduced to you. Is there or is there not any evidence in this case, that when these machines were exhibited in the tanning company's office, in Newark, New Jersey, when they were sold to the Chadwick Company, to Dawson, and to Byron, any of these parties were informed by Flanders, who is testified here to have had intimate knowledge of all these sales and of the operation and working of these machines, that in purchasing them of the corporation which then owned the Flanders and Marden patent, they were not obtaining the right to use the whole machine and all the devices embodied in it, or

that there was any particular device attached to the machine for the mere purpose of experiment and test?

What was the operation which was going on when Flanders was endeavoring to perfect that machine in these different workshops and factories in which he had placed it in use and on sale? Has it or has it not, been proved here that those machines were sold, in some instances the sale not to take effect until the machine was an effective working machine? Was or was he not, laboring to make those machines under the Flanders and Marden patent operative and successful? And was he or not, experimenting with a view to make these machines under that patent successful; or was he experimenting with a view to perfect another device and invention, in which none of the owners of those machines, Chadwick, Byron, Dawson, Shailer, or any of those grantees, was to have any right or interest?

Language has been used by the court in regard to such use of a device, before the obtaining of a patent, which seems to me particularly applicable to this case. I refer to the case of *Sanders v. Logan*, 2 Fish. 173: "It is clear, therefore, that assuming that Sanders was the sole inventor of the machine as perfected in 1845, with Justus's assistance, yet that he was not entitled to a patent for the same. The evidence established a clear case of abandonment; and, moreover, that the invention was publicly used, with the knowledge, consent, and approbation of the complainant more than two years previous to his application for a patent. The allegation that these machines were made and incorporated into so many mills all over the country for the purposes of experiment, is too absurd to be entertained for a moment."

Now, is it or is it not true in this case, that wherever the Flanders and Marden machine was used, wherever it was exhibited, and wherever it was sold, there was attached to it the invention or device described in the patent of Aug. 14, 1860? I do not understand that there is any controversy on that point. I have not heard any evidence that any machine was ever set up, sold, exhibited, or put in use, which did not contain this device, with one single exception. It is claimed on the part of the plaintiff that all the machines did not contain this device in the manner referred to in the second claim of the patent of Aug. 14, 1860,

because it is contended that a perpendicular plane which would pass through the axis upon which the rubber roller revolved would be coincident with the perpendicular plane which passed through the axis upon which the sectional rings revolved ; while, on the part of the defendants, it is contended that in some of the machines, if not in all of them, which were thus sold, the perpendicular planes passing through the respective axes of the rubber roller and the sectional roller were not coincident.

In the one case, the two cylinders would be the one directly over the other ; in the other case, they would be at an angle, more or less. That is a question upon which you have testimony here from the different parties ; it has been very fully and ably commented upon by the respective counsel, and therefore it is unnecessary for me to recapitulate.

Then the next question is : If these machines were thus put upon sale and into use, were they constructed so as to operate successfully ? Mr. Shailer, one of the witnesses, for instance, testifies that he used one of them for a number of years ; that it had every thing in it which it has now, and was as good a machine as it is now ; that he split leather with it for himself, and took leather in to split by it. He says : “ When we first had it, the two axes were nearly in the same perpendicular plane. Afterward, we altered the axes toward an inch apart from each other ; namely, the plane of the axis of the sectional roller an inch from the plane of the axis of the rubber roller. After exhibiting it several weeks, we sold one machine. After we made these alterations, the machine worked as well as the machine now does. The one sold to the Chadwick Company,” he says, “ worked admirably. Whenever the knife was in proper position, we did splitting as well as it could be done. The machine has been but very little improved since.” Several other witnesses have testified as to the amount and quality of the work that the machine did.

But there is another matter which it is proper for you to consider, as affecting the question whether this was a successful and operative machine, working well ; and that is this : It is claimed on the part of the plaintiff, that, although these machines may have embodied the devices described in both these patents, the machines which were put on sale and in public use were not

perfect machines ; that perfection had not been attained ; and that they were put on sale in a crude and unfinished condition, for experiment.

It is not for you to consider upon this point whether this *whole* machine used for splitting leather was or was not a perfect machine in the sense in which "perfect" is usually understood. You are to consider whether the machine, so far as it covers these devices, was or was not a perfect machine, *so far as these devices are concerned*. You are to consider whether it was perfect in the sense that it embodied a completed invention, and not whether it was perfect in mechanical execution, as you might expect a machine to be in its most highly finished state of mechanical perfection. A perfect machine, in that sense of the word "perfect," means a perfected invention ; not a perfectly constructed machine, but a machine so constructed as to embody all the essential elements of the invention, in a form that would make them practical and operative so as to accomplish the result. But it is not necessary that it should accomplish that result in the most perfect manner and be in a condition where it was not susceptible of a higher degree of perfection in its mere mechanical construction.

If, therefore, you find that prior to April 11, 1858, this machine was put in public use and on sale, with the consent and allowance of Flanders ; if you find that it did embody the devices and invention described in the patent of Aug. 14, 1860 ; and if you find that it embodied all of that invention in a form that was practical, operative, and useful : then it is a bar to this patent, and the patent is void.

The next ground of defence is an alleged abandonment to the public. That does not differ very materially, so far as its application to this case is concerned, from the question of public use and sale, except that the abandonment to the public, in the sense in which it is here used, need not be two years before the date of the application for the patent : it may be afterward, although the presumption always is against an abandonment to the public by a patentee after he has applied for his patent. But he can do so ; he can do so within two years ; he can do so at any time. It is a matter that may be proved, but it is never to be presumed.

A person is sometimes said to have abandoned his invention

when he gives up the idea ; abandons it in the popular sense ; relinquishes the intention of perfecting his invention, so that another person may take up the same thing and become the original and first inventor. But that is not the kind of abandonment that is referred to here. There is another kind of abandonment ; and that is where a party, having made an invention, allows the public to use it, with his knowledge and consent ; allows it to be incorporated into other machines with his knowledge and consent, and to be used by anybody without objection ; as, for instance, if you should invent a machine, put it into public use and sell it to everybody who chose to buy it, and if you should attach to that machine another invention of yours, and allow everybody who chose to buy that and use it, without objection on your part, with your consent, with your permission, with your allowance, not for the mere purpose of experiment, but for the purpose of profit and gain, that would be an abandonment of it to the public ; and you could not afterward rightfully, honestly, honorably, legally, take out a patent for that invention.

“ The question arises upon this provision, then, whether the particular purchase, sale, or prior use may of itself, under some circumstances, furnish proof of abandonment to the public, or whether such an abandonment must be proved by other cases, or by other evidence *dehors* the particular purchase, sale, or prior use, that happens to be in question. The obvious construction of the act is, that a purchase, sale, or prior use before the application for a patent, shall not invalidate it, *unless* it amounts to an abandonment to the public ; a purchase, sale, or prior use shall not have this effect, *per se*, but, if connected with facts which show an abandonment to the public, or if it has been for more than two years prior to the application, it will have this effect.” Curtis on Patents, sect. 393, pp. 417, 418, ed. 1867. I read this to you, because these are not merely the words of the text-writer, but the exact words of the decision of the court as to the construction of this clause of the act of 1839.

The other ground of defence set up here is, that this invention had been patented in England more than six months prior to the application for a patent in the United States, and had been introduced into public and common use in the United States prior to that application.

Upon that I am requested by the plaintiff's counsel to instruct you that "sect. 6 of the act of 1839 must be construed in connection with sect. 7 of the same act, and that the purchase, sale, or prior use named in sect. 7 differs from the public and common use named in sect. 6, or else the two are incompatible." That alternative I need not put in; but I give you the instruction, that the "public and common use" in the sixth section which has been read to you, and which applies to public and common use prior to the application for an American patent, where there is an English patent procured by the inventor more than six months prior to the application for an American patent, is a different use from the "public use" which I have already explained to you, and which, having obtained for more than two years prior to the application, voids the patent.

This "public and common use" prior to the application in this country, in the case of a foreign patent procured by the inventor more than six months before his application here, must be something more than the mere use of one machine or more by the inventor himself, in public, or by other persons with his consent and allowance. The invention must have passed into general use in the community. To invalidate a patent upon the ground of a prior English patent, the use of the thing patented must not only be public within the United States, but must be a common and general use by the community. There is an obvious reason in my mind for this distinction, which existed in the statute in force up to the act of July 8, 1870, but which does not now exist, because the time has been extended to two years, and the word "common" has been stricken out.

In order now to void a patent upon the ground of a prior patent in England, the invention must have been in public use two years prior to the application here, although it is not required to be in common use; but this law was not in force before the act of July 8, 1870, and is not applicable to this case.

This case is to be decided upon the construction of the statute of 1839; and I instruct you that the use referred to in the sixth section of that act must be a general use as well as a public use; it must be a common use as well as a public use of the invention which is to void the patent in the United States, if it has been prior to the application here, in case there has been a patent taken out in England by the patentee more than six months before his application here.

What would be a common use, however, must be considered with reference to the device invented or the thing patented. What would be a passing into common use of one invention might be a very different thing from what would be a passing into common use with regard to another invention. For instance, a hotel annunciator might be an invention applicable to hotels alone, and useless for any other purpose. Such an invention could never come into common use in the community in the sense in which a friction-match or a paper-collar would, or any other device or invention which was intended to be used by the community. You might, therefore, in the case of the annunciator, consider its use, in a very few instances, a common use, as compared with what would be a common use of a thing designed for the use of every person. So there might be an invention applicable to only one species of manufacture; and if there were only three manufacturers of that particular article in the United States, and each one of these three publicly used the invention, and if they were the only persons who would be likely to use, or whose business would require them to use, such an invention, you might be justified in finding that that invention had passed into public and common use when it became universal with all the persons or in all the manufactories for whose use the invention was designed.

And I instruct you further, that if an inventor obtained an English patent more than six months before he made his application in the United States for a patent for the same invention, and after it had been patented abroad and prior to the application here, that invention passed into public and common use in this community so as to become a part of the manufactures of this country, then whether the persons through whom it had been introduced here had derived their information of it from the English patent, or had invented it themselves, or had derived it from the first inventor himself, the patent would be void.

The statute was intended to require the patentee to use reasonable diligence and to fix a proper time within which he must make his application, in justice to the public; so that an invention which has been patented abroad, and has become a matter of public notoriety, and of common knowledge among persons engaged in that art or manufacture, shall not pass into the commerce of the country and into common and daily and public use

by the community, and then, after the lapse of any length of time, the party go on and obtain a patent and prosecute the whole community as infringers. Congress has, with propriety, fixed a time which they consider reasonable for the exercise of diligence in this matter; and if you find that this inventor allowed that time to pass by, and that this invention had been introduced into public and common use, into general use in the community, then this patent is void. And in determining what is common and general use, you have a right to take into consideration the nature of the machine, the effects which it is designed to produce, and the number of persons or of manufactories likely to use it, so as to determine whether, in view of all the devices which constitute the characteristics of the invention, and the uses to which it can be, and is designed to be, applied, the use is a general and common and public use, or a private, special use, under a particular grant or license.

I have said, gentlemen of the jury, that I do not intend to recapitulate the testimony in this case. These questions of fact it is your province to determine; and I do not wish you to consider any thing I have said as intended to influence you in your determination of them. I am only endeavoring to give you the principles of law which are to guide you, and which you are to apply to the consideration and determination of these questions of fact. It is for you to find whether, upon the testimony, there has been this public use and sale or not; whether it has been for the length of time, under the circumstances and conditions which I have previously stated to you. It is for you to find whether there has or has not been this abandonment or dedication to the public; and it is for you to find whether or not this invention had been introduced into public and common use prior to the application for a patent, in this country, under the conditions which I have stated to you in relation to the English patent.

Whether the English patent is or is not for the same invention, you have had the testimony of experts, and you will have the drawings and models before you. The conflict apparent in the testimony upon that point relates principally to one question, and that is, the practicability of making an operative, effective machine by the aid of the specification and drawings of the English patent. Now it is not necessary, in order to make a patent

valid, that the patentee should so make the drawings in his patent that they could be used for working-drawings, or that a machine made in accordance with the exact scale of the drawings, which accompany the patent in the Patent Office, either in England or in this country, should be an operative machine. It is necessary, however, that the patentee should so describe his invention that a mechanic skilled in the art to which that invention relates would be able by the aid of the description and drawings of the patent to embody that invention in a practical, operative, efficient, and effectual form. That is all that is necessary; and, therefore, if you find, upon a critical examination of these drawings, that there are some slight differences in distance, or in proportion, which, if exactly carried out upon the same scale, in a machine constructed according to the patent, would require modification in order to make the machine operative, that does not affect the question.

You are to consider whether, in the light of the testimony which has been introduced to you, on both sides, the English patent does or does not embody what is in the American patent, striking out of consideration those claims in the respective patents, which are not in issue here, and whether, so far as relates to that invention which is in issue here, they are or are not identical.

I am requested by the plaintiff to give you the following instructions :

I. "If the defendants give notice of special matter in defence under the general issue, and rely upon any prior knowledge or use of the thing patented which the statute may contemplate as a defence to the action, they must give the names and places of residence of those whom they intend to prove had any such knowledge, and where such use was had."

I have already ruled upon this point; and I instruct you, that, upon the pleadings in this case, there being no question made that the plaintiff's patentee was the original and first inventor, and the prior use relied upon being a prior use only by the inventor himself, or under his license, it is not necessary, in the statutory notice, to give the names of the persons using, or the places where used. I therefore decline to give you the first instruction requested by the plaintiff.

In the construction I give to the statute, when a party gives

notice of special matter of defence under the general issue, and in that notice sets up priority of invention and of use by others, for the purpose of showing that the patentee was not the original and first inventor, he must in his notice specify the names of the persons using, and the place where used; but if the prior use relied on be a use by the inventor, or by persons with his consent or allowance, then it is not necessary to notify him of the names of the persons using the invention, or of the places where used.

II. The second instruction asked for is, that "abandonment means a general abandonment to the public, and must be shown affirmatively and positively as affecting the interest of the party."

I give you that instruction, saying here, that, in the sense in which "abandonment" is used in this connection, it is dedication to the public; a giving up of the claim to monopoly in the invention: and it must be shown affirmatively. The burden is upon the defendants.

III. The next instruction which I am requested to give you is, that "'use and on sale with the consent and allowance of the inventor,' means use and sale of the perfected invention, and not its use in an imperfect and inchoate and experimental condition. If, therefore, in this case the use prior to April 11, 1858, would seem to be that of an invention not perfected, which the inventor was striving to make perfect and practical, it would not be such a use as would work forfeiture, but would be considered experimental only."

One portion of that instruction I give you. I do not give you the inferences which are drawn from it. "Use and sale with the consent and allowance of the inventor," does mean use and sale of the perfected invention, and not of the invention in an imperfect, inchoate, and experimental condition.

But then, gentlemen, you must distinguish between the invention and the machine which embodies it. The invention may be perfect, and the machine which embodies that invention and several others may be an imperfect machine. In this instance, the imperfection of the rotating knife, which was the subject of another invention in these machines, would not have made this invention imperfect. Suppose that the machine had had a badly cutting knife, or that, in consequence of the imperfection of the jaws which held the knife in place, there had

been so much friction that the knife did not operate, it would not be for your consideration here.

You must apply this instruction to the devices and mechanism which are the subject of the invention in this patent, and not to the machine embodying several other inventions. So far, then, as relates to this invention, the public use and sale referred to must be of the perfected invention, and not of an experiment, or for the purposes of experiment, or in a merely experimental form.

IV. The next instruction requested is, that "the putting of a device intended to improve the working operation of a patented machine upon such machine, when sold, would not necessarily be such sale of the device as would work abandonment and forfeiture of right to a patent, but might well be put on for experimental purposes, and especially where such is the best, if not the only, means for the inventor to test the practical utility of the device."

I give you that substantially. I give it to you in these words: The putting of a device intended to perfect the working operation of a patented machine upon such machine, when sold, would not necessarily imply that the patentee intended to abandon it to the public, or to put it in public use or on sale. But that is a question of fact purely, for your determination. Whether he put it on merely for the purpose of experiment, or put it on and sold it with the rest of the machine, for gain and profit, and let it go into public use, is a question of fact for you to determine.

V. The next instruction asked has reference to the sixth section of the act of 1839, and I have already given it to you.

VI. The next is as follows: "Without regard to sect. 7 of the act of 1839, if the English machine, as shown, would require experiment and change in regard to the adjustment of the parts, in order to bring it to the perfection of the American machine, as shown, the English patent will not be allowed to work forfeiture of the American patent."

I do not give you this instruction in the words in which it is requested, because I think it is ambiguous. I do, however, instruct you, that if the English machine is shown to have required further invention to make it a practical and operative machine, and to embody the same invention which is described in the American patent, it would not work a forfeiture of the American

patent. I do not say that, if the English machine would require change or adjustment of its parts, it would not work such forfeiture; because a change or adjustment of its parts might have nothing to do with the question of invention. But if you find that in the English machine there was the same device, the same combination of elements to produce the same results in the same mode, so that there was an identity of invention, then it is immaterial whether it did or did not require more adjustment of parts or mechanical perfection to make it work as well or better than the American machine.

VII. The next instruction I am requested to give you is, that "it is not the policy of the law that an American inventor shall fare worse in his application for an American patent, by reason of his having previously obtained a foreign patent for the same invention, and the same having been published, than if the same thing had been patented abroad by some other person."

I decline to give you that, upon the ground that it is not the duty of the court to instruct you as to what the policy of the law is, but only as to its construction.

I am also requested on the part of the defendants to instruct you:

1. "If the jury find that more than two years prior to the application of Flanders for the patent declared on, one machine embodying the invention set forth and claimed therein had, with his knowledge and consent, been sold or openly and publicly used by even one other person, he thereby forfeited his right to the patent."

I give you that instruction, with the qualifications which I have already stated, and which are, that experimental use, or use to test it for the purpose of experiment, or for the mere purpose of perfection, not for gain or profit, and with no intention to put it into public use for any other purpose than experiment, is not the public use contemplated by the statute.

2. "If the jury find that more than two years prior to the application of Flanders for the grant of the patent declared on, one or more machines embodying the invention set forth and claimed therein had been sold and publicly used with his knowledge and consent, and if the jury further find that such sale and public use was caused or permitted by the said Flanders for the sake of pecuniary gain and profit directly or indirectly to himself,

the same was incompatible with any use for the sake of experiment or trial of the machine, with the view of testing or perfecting it, which the law would allow, and the patent is therefore void."

I do not give you that instruction in those words, because it combines a question of law and fact. Whether it is incompatible with the purpose of experiment or not, is a question not for me to determine. But I give it to you in this form: If the jury find that more than two years prior to the application of Flanders for the grant of the patent declared on one or more machines embodying the invention set forth and claimed therein had been sold and publicly used with his knowledge and consent, and if the jury further find that such sale and public use was caused or permitted by the said Flanders for the sake of pecuniary gain and profit directly to himself, *and not merely for the sake of experiment and trial, with the view of perfecting the invention*, then the patent is void.

3. "If the jury find that more than two years prior to the application of Flanders for the patent declared on one or more machines embodying the invention set forth and claimed therein were sold by him, or with his knowledge and consent, to be publicly used by the purchasers thereof in their ordinary and proper business, and that such machines were then *capable of useful operation*, when skilfully managed, and were thereupon in fact publicly put into useful operation by the said purchasers, such a sale and use worked a forfeiture of Flanders's right to the grant of a patent for the said invention."

That instruction I give you.

4. "If the jury find that more than two years prior to the application of Flanders for the patent declared on one or more machines containing and embodying the invention set forth and claimed therein had been sold by him, or with his knowledge and consent, and if they also find that the said machine or machines after such sale were put into useful operation by the purchaser or purchasers thereof more than two years prior to the said application, the forfeiture of Flanders's right to the grant of the said patent would not be avoided or removed by any alteration, modification, or improvement in the mechanical construction or mode of operation of the said machine or machines, which may have been made between the time of such sale and of such useful

operation, provided that when so put into use and operation they continued to embody the said invention."

I do not give you this instruction in the exact words in which it is asked, because I have already instructed you upon this subject, carefully distinguishing, what I do not think this so fully distinguishes, such modifications as amount to structural changes from such modifications as amount to mere mechanical perfection of the machine.

5. "If the jury find that more than two years prior to the application of Flanders for the patent declared on one or more machines embodying the invention set forth and claimed therein were sold by him, or with his knowledge and consent, to be used by the purchasers thereof freely and openly in their regular business, and if the jury further find that the said machines were thereafter in fact put into useful operation by the said purchasers, the said patent is invalid, even if the said machine or machines so sold were, before being put into useful operation, modified, altered, or improved, in their mechanical construction or mode of operation in respect to any parts thereof not claimed as new in the said patent."

I give you that instruction, substantially, in these words: If you find that more than two years prior to the application of Flanders for the patent declared upon, machines embodying the invention set forth and claimed therein were sold by him, or with his knowledge and consent, to be used by the purchasers, and were freely, openly, and publicly put into useful operation by them, the patent is invalid without regard to any such modification, alteration, or improvement in the other parts of the machine which did not embody any part of this invention and were not claimed as new in this patent.

6. "If the jury find that the English patent granted to Newton, April 27, 1858, was solicited and procured at the instance and request and for the benefit of the said Flanders, and that the specification and drawings thereof set forth substantially the same mechanism, arranged to operate in substantially the same mode as the mechanism set forth and claimed in the patent declared on, and if the jury further find that, prior to the application of the said Flanders for the grant of the said letters-patent declared on, one or more machines embodying the invention therein set forth and claimed had been openly and regularly used

by others in the ordinary prosecution of the business of splitting leather in a leather manufactory within the United States, then the said invention had been introduced into public and common use within the meaning of the statute in such case made and provided, and the said Flanders was thereby debarred from obtaining and receiving a valid patent for the same."

I do not give you that instruction, because I have already stated to you that the "public and common use" mentioned in the sixth section of the act of 1839 is a different use from the "public use" mentioned in the seventh section, and this instruction seems to contemplate the identity of the two.

7. "If the jury find the facts in respect to the English patent to be as set forth in the sixth instruction prayed for, and the jury further find that within the United States, prior to the application of the said Flanders for the grant of the letters-patent declared on, machines embodying the invention therein set forth and claimed had been put and continued on sale to the public, and some of them had been actually sold to the public and put into open, continuous, and ordinary use by the purchasers thereof, then the said invention had been introduced into public and common use within the meaning of the said statute, and the said patent declared on is invalid."

I have given you, gentlemen, what amounts very nearly to the instruction requested here, and I think it supersedes the necessity of my giving you this, because I have given to you full and general instructions as to what would constitute common use, and have stated to you that you had a right as a question of fact, in determining what amounted to common use, to consider the nature of the device, the result intended to be effected by the invention and the machine which embodied it, the number of persons in the community or of manufactories who might use it, and that there might be a common use of one invention which would be a very specific, restricted, and special use of another.

8. "If the jury find the facts in respect to the English patent to be as set forth in the sixth instruction prayed for, and if the jury further find that within the United States, and prior to the application of the said Flanders for the grant of the said patent declared on, machines embodying the invention therein set forth and claimed had been put and continued on sale to the public, and had in fact been sold to the public in numbers sufficient to

supply the public demand for the same, and had thereupon been put into open and ordinary use by the purchasers thereof, then the said invention had been thereby introduced into public and common use within the meaning of the statute in such case made and provided, and the grant of a valid patent therefor was prevented."

I give you that instruction, omitting the words "open and ordinary use," and substituting the words "public and common use" for them.

9. "In determining how many such machines were sufficient to supply the public demand for the same at any time prior to the said application, the jury may properly take into account the character of the machine itself in respect to its cost of construction, the expense of purchasing and of running it, the number of men then having sufficient knowledge and skill to operate it effectively, and the number of places in the country where it could then have been profitably employed."

I have already instructed you that you were entitled to take those elements into consideration in determining what constituted the "common use" of this invention.

10. "If the jury find that, prior to the application of the said Flanders for the patent declared on, machines embodying the invention set forth and claimed therein, and so constructed as to be capable of useful operation, were by others, with the said Flanders's knowledge and consent, put and continued on sale, and in fact sold and put into public use, and if the jury further find from the acts and declarations of the said Flanders that he intended to give to all purchasers of the said machines the free and unrestricted use of the said invention embodied therein, and to allow the sale and public use of the said machines to be continued by others without any claim on his part of any adverse right to the said invention, then he could not afterward resume his original rights in respect thereto, nor obtain a valid patent."

I give you that instruction. That is to say: If you find, as matter of fact, that Flanders had once dedicated this invention to the public; had abandoned it, and allowed it to be made and sold and to go into public use with the other inventions embodied in the machine; it would not be competent for him to resume his original right to it. If a person has once abandoned his invention or dedicated it to the public, then, as a matter of

law; it has gone from him, and he has no power of revocation or resumption.

11. "If the jury find that, prior to the application of Flanders for the patent declared on, he assigned, gave, or surrendered to others his rights to take a patent for the invention set forth and claimed therein, and that he in fact did not secure a patent for the benefit of those to whom he had so assigned, sold, or surrendered his said right, but acquiesced in and encouraged the sale and public use by them and their vendees of machines embodying the said invention, and that such machines were in fact, by those to whom the said Flanders had so assigned, sold, or surrendered his said right, sold, and by their vendees put into open and ordinary use with his, the said Flanders's, knowledge and consent, and if the jury further find that the said Flanders did not intend to apply for a patent to secure the said invention for his own benefit, and did intend to give the free and unrestricted use of the said invention to all purchasers of the said machines, then it was such a dedication and abandonment to the public as he could not afterward recall or revoke, and the said patent is void."

I decline to instruct you that any specific state of facts would in law amount to abandonment, but I give you what is substantially this instruction. I have told you what would constitute abandonment; and I repeat to you, that if Flanders put this device upon these machines, without the intention of obtaining a patent for it, and allowed them to go out to the public, and to come into public use, so that whoever bought one of these machines embodying this device and invention had a right to use it without objection on his part, these are facts from which the jury, if they choose, have a right to presume a dedication to the public. Abandonment or dedication to the public is a question of fact for the jury to determine, not for the court; and I instruct you, that, if you find the state of facts to be as set forth in this instruction asked for, you have a right to find that Flanders abandoned his invention to the public, without instructing you that that follows as a matter of law.

12. "If the jury find that, prior to the application of the said Flanders for the patent declared on, the invention therein set forth and claimed was, with his knowledge and consent, embodied in leather-splitting machines so as to be usefully operative therein, and that such machines were, with his knowledge and

consent, put and continued on sale to the public, and some of them actually sold to others and put into open and ordinary use, and if the jury further find that the said Flanders intended to give to the public the free and unrestricted right to continue the sale and use of such machines, he thereby forfeited his original right to the grant of a patent for the said invention."

I give you that instruction, adding only one word: "And that such machines were, with his knowledge and consent, put and continued on sale to the public, and some of them actually sold to others, and put into open and ordinary and *public* use."

It is unnecessary that I should incumber you with a minute statement of the several issues of fact which are presented by the pleadings in this case.

You will, therefore, consider the plea of the general issue, and under it the special defences set forth in the notices, and you will be prepared, when you come in, to answer to the court these questions:

First, Whether or not the invention was in public use and on sale, with the knowledge and consent of the inventor, more than two years previous to his application for the patent in issue.

Second, Whether or not the inventor had abandoned his said invention to the public prior to his application for the said patent.

If you find that his invention was in public use and on sale, or that he had abandoned it in accordance with the instructions which I have previously given you, it is unnecessary for you to consider the other issue; but if you should not so find, then you will consider the special plea, and be prepared to answer:

Third, Whether or not the said invention had been patented in England by the said inventor more than six months prior to his application for the United States patent here in issue, and whether or not the said invention had been introduced into public and common use within the United States prior to his said application for the said United States patent.

The jury found for the defendants; and, upon being interrogated by the court, answered each of the foregoing questions in the affirmative.

INDEX.

ABANDONMENT.

1. An inventor may abandon his invention to the public at any time. *American Hide & Leather Splitting Co. v. Tool Co.*, 503.
2. Abandonment is a matter of fact to be proved. It is never to be presumed. *Ibid.*
3. If an inventor has abandoned his invention to the public, his right to a patent therefor is irrevocably lost. *Ibid.*

See BOTTOMRY AND RESPONDENTIA.

ACCEPTANCE.

See SALE.

ACCOUNT.

The right to an account in patent suits in equity is incident to and depends upon, the right to injunction and discovery. *Draper v. Hudson*, 208.

See EQUITY, 1.

ACTION.

An action lies in favor of a banker against an administrator *de bonis non*, as such, to recover money credited by mistake to the intestate during his life, and drawn by, and paid to, the original administrator in his representative character, in the belief that it belonged to the estate. *Baring v. Putnam*, 261.

See PATENT, 20; REPLEVIN; TRESPASS.

ADMINISTRATOR.

See ACTION.

ADMISSION.

See ESTOPPEL.

AGENT.

See SURETY.

AGREEMENT OF COUNSEL.

The court will not so far take notice of an alleged parol agreement of counsel made out of court, as to undertake, where there is a conflict of opinion between the respective counsel as to the terms of the agreement, or a difference of recollection as to its existence or meaning, to decide the question of accuracy of recollection or construction. *American Saddle Co. v. Hogg*, 177.

ANSWER.

See NOTICE OF DEFENCE, 1, 2.

APPEAL.

On an appeal from a decree of the District Court, based wholly upon its finding on a disputed question of fact, the burden is on the appellant to show affirmatively a mistake in the finding. The decree will not be reversed where the evidence is such as merely to raise a doubt in regard to the question of fact. *Baker v. Swift*, 85.

APPLICATION.

An application for a patent was wrongly rejected in 1856. The applicant did not acquiesce in the rejection, nor withdraw the application, but pressed it from time to time as his means permitted; and in 1864 obtained a patent upon a new application amended so as to conform to the original application. *Held*, that the inventor did not lose any rights by unauthorized public use of the invention during the interval between the first and second applications. *Goodyear Dental Vulcanite Co. v. Smith*, 354.

APPRAISAL.

See APPRAISERS; IMPORT.

APPRAISERS.

1. In appraising the value of an importation, the appraisers are not bound by prior appraisals of the value of goods of the same kind imported by the same party. *Goodsell v. Briggs*, 299.
2. The Circuit Court has no authority to enjoin the appraisers from taking evidence anywhere as to the value of an importation. *Ibid*.
3. The court refused to enjoin the appraisers of the value of an importation of gloves, from carrying out of the District into which the importation was made, samples of the gloves, for the purpose of obtaining evidence as to the value of the importation. *Ibid*.

ARREST.

See BANKRUPTCY, 4, 5.

ART.

See PATENT, 1, 2.

ARTICLE OF MANUFACTURE.

See INVENTION, 5, 6, 7.

ASSESSOR.

See TAX, 1, 2.

ASSIGNEE.

See ASSIGNMENT; DIRECTOR, 2; MORTGAGE, 1, 2, 3; MORTGAGEE; PATENT, 7; PREFERENCE, 2, 3, 4; PURCHASER, 2.

ASSIGNMENT.

1. Any assignment which does not convey to the assignee the entire and unqualified monopoly which the patentee holds in the territory specified, or an undivided interest in the entire monopoly, is a mere license. *Sanford v. Messer*, 149.
2. The title of an insolvent debtor to, or his interest in, letters-patent of the United States for an invention, does not pass to his assignee in insolvency by an assignment of his property, made by a judge of probate and insolvency under the insolvency law of Massachusetts. *Ashcroft v. Walworth*, 152.
3. An assignment of all the grantor's right, title, and interest, in and to a certain patent, carries only the existing interest of the grantor at the time of the assignment. *Ibid*.
4. An unrecorded assignment of all the grantor's right, title, and interest, in and to a certain patent, is good as against a subsequent recorded assignment by the same grantor to a purchaser having notice of the previous assignment. *Ibid*.
5. An inventor of a combination of mechanical devices, some of which were covered by prior patents of his, on the day of his application for a patent, executed: 1st, An absolute assignment to the defendant of all his "right, title, and interest in and to said invention, and letters-patent which may issue therefor;" 2d, An agreement with the defendant corporation granting to it the right to make, use, and sell the said invention, in connection with so much of the inventions secured by the prior patents of the grantor, dated respectively Nov. 18, 1856, and June 10, 1862, "as is contained in the said mechanism;" the defendant agreeing to pay a certain royalty for each and every mechanism substantially the same as that described and shown in the specification, drawing, and model accompanying the application, for the term for which the patent should be granted; 3d, An agreement reciting the above assignment and agreement, and providing that if the defendant corporation should fail to obtain the said patent, the inventor would, and by the agreement did, grant unto the defendant "the exclusive right under the said letters-patent already granted, and under any and all reissues thereof, to make, use, and sell the specific mechanism described in the said application, and the specification, drawings, and model accompanying the same," &c. The patent applied for was not

granted. After extension and reissue of the patent of Nov. 18, 1856, the purchasers of it brought suit to restrain the manufacture and sale by the defendant of the combination described in the application, on the ground that it embodied the invention covered by that reissue. *Held*, that, by the above assignment and agreements, the defendant had acquired the right to make, use, and sell, without regard to the granting, reissue, or extension of any patents, and without limitation of time, the specific devices contained in that specific combination. *Hammond v. Mason & Hamlin Organ Co.*, 296.

See EXTENSION, 2, 4, 5.

ATTACHMENT.

See PARTNERSHIP.

AVERAGE.

When a vessel is voluntarily stranded for the general safety of ship, cargo, and crew, the loss thereby is a general average loss. *O'Connor v. Lang*, 248.

BANK.

See CONDITION, 2; STATUTE OF FRAUDS; STOCK CERTIFICATE.

BANKRUPTCY.

1. A railroad corporation is a "business" corporation within the meaning of the thirty-seventh section of the bankrupt act of 1867. *Adams v. Boston, Hartford, & Erie R. R. Co.*, 30.
2. An insurance company, duly authorized under the law of a State to transact the business of insurance, is a "business or commercial" corporation, within the meaning of the bankrupt act of March 2, 1867. *Re Independent Insurance Co.*, 103.
3. In a proceeding by the State insurance commissioner against an insolvent insurance company, under Gen. Stats. of Massachusetts, chap. 58, sect. 6, a decree was made appointing receivers of the company's property, with authority to collect its assets and pay its debts, making perpetual an injunction against the further prosecution of its business, and declaring "that the said corporation be and the same is hereby dissolved." *Held*, that proceedings in bankruptcy against the company, subsequently commenced, could be maintained notwithstanding the decree of the State court. *Ibid*.
4. Where a debtor has been arrested on execution of a State court, and has claimed the benefit of the provisions of the State law for the relief of poor debtors, before proceedings in bankruptcy, the Circuit Court will not enjoin the creditor from proceeding under his execution. *Minon v. Van Nostrand*, 251.
5. An arrest on execution before the arrested debtor's petition in bankruptcy, is not avoided by adjudication of his bankruptcy. *Ibid*.

6. The filing by an execution creditor, after adjudication of the bankruptcy of the debtor, of charges of fraud in opposition to the discharge of the debtor, under the Massachusetts law for the relief of poor debtors, cannot be considered a suit at law or in equity to be stayed under the twenty-first section of the bankrupt act. *Ibid.*
7. The District Court is authorized in bankruptcy to refer to the register a petition of a creditor praying that the proof of claim of another creditor be expunged on account of matters occurring since the claim was proved. *Re Loring*, 483.

See INSOLVENCY; MORTGAGE, 1, 2, 3; MORTGAGEE; PREFERENCE; REVIEW.

BILL IN EQUITY.

See DEMURRER.

BOND.

See SURETY.

BOTTOMRY AND RESPONDENTIA.

1. A bottomry and respondentia bond conditioned to be void in case of "utter loss" of the vessel during a certain voyage, is not discharged by the stranding of the vessel during the voyage, and abandonment to insurers as a total loss, and sale by them at the place of stranding as not worth repairing, if the vessel exists *in specie* at the time of the sale. *Delaware Mut. Safety Ins. Co. v. Gossler*, 475.
2. The holder of such a bond, in case of shipwreck of the vessel not amounting to an utter loss within the meaning of the bond, is entitled to the proceeds of the cargo saved, as against insurers of the cargo who have accepted abandonment and paid the owners as for a total loss. *Ibid.*

CARGO.

See DEMURRAGE; FREIGHT, 1.

CASHIER.

See STOCK CERTIFICATE.

CHARGE.

See MORTGAGE, 4.

CHECK.

See STATUTE OF FRAUDS.

CLAIM.

1. A claim in a patent, for "the above-described new manufacture of deodorized heavy hydrocarbon oils, suitable for lubricating and other purposes, free from the characteristic odors of hydrocarbon oils, and having a slight

smell like fatty oil, from heavy hydrocarbons, by treating them substantially as hereinbefore described," is a claim for a heavy hydrocarbon oil having the described characteristics and produced by the described process. *Merrill v. Yeomans*, 331.

2. The specification of a patent described the patentee's method of making plates for artificial teeth. The claim was for "the plate of hard rubber or vulcanite, or its equivalent, for holding artificial teeth, or teeth and gums, substantially as described." *Held*, that the patent was for the described article produced by the described process. *Goodyear Dental Vulcanite Co. v. Smith*, 354.

COASTWISE TRADE.

See TRADE, 2.

COLLECTOR.

See IMPORT; REPLEVIN, 1.

COLLISION.

1. The lookout of a steamer at sea in calm weather, running at night in a fog not less than eight miles an hour, discovered the port light of a schooner having little headway, about two hundred feet distant and about a point on the starboard bow. The steamer's helm was ported, and orders given, before collision, first to slow, and afterwards to stop, the engine. The steamer struck the port side of the schooner, cutting her down below the water-line, and kept on her course for a considerable distance. No fog-horn was sounded on the schooner. *Held*, 1. That the steamer was in fault for porting, instead of starboarding, her helm. 2. That the steamer was also in fault for going at more than the moderate speed directed by the act of 1864, under such circumstances. 3. That the schooner was in fault for not sounding a fog-horn, as required by the act of 1864. *Dolner v. Steamer Monticello*, 7.
2. A schooner on the starboard tack overtook, and passed a short distance to leeward of, a brig, and when three or four lengths in front came in stays, which brought her across the bows of the brig, and rendered a collision inevitable. Just before actual collision the course of the brig was changed about a point. *Held*, 1. That the schooner was in fault for coming in stays under such circumstances. 2. That the brig was not in fault for changing her course, according to the best judgment of the master, after the collision had become inevitable through the fault of the schooner. *Bartlett v. Williams*, 229.
3. Neglect by a vessel having the right of way at night, to show the regulation-lights, does not relieve another vessel, meeting her, from the duty of observing the rules of navigation and using all practicable precautions to avoid a collision. *Swift v. Brownell*, 467.

See DAMAGES, 2, 3, 4, 5.

COMBINATION.

See EQUIVALENT; INFRINGEMENT, 19; INVENTION, 10.

COMMISSIONER OF PATENTS.

See EXTENSION, 1; REISSUE, 3.

COMPOUND.

See INFRINGEMENT, 3, 4, 5, 12; PATENT, 14, 15, 16, 17.

CONDITION.

1. Where the giving of a certain notice is made the condition precedent of the execution of a power of sale, and performance of the condition has been rendered impossible by the act of the party for whose benefit it was made, the power may be executed without the giving of the notice. *Bank of Racine v. Babcock*, 180.
2. Certain bonds were pledged by a bank as security for the performance of an agreement between the bank and the pledgee, and the pledgee was empowered to sell the bonds in case of breach of the agreement by the bank, on thirty days' notice to it of the intended sale, and credit the proceeds on a debt due from the bank. The bank afterwards failed, closed its place of business, and thereafter transacted no business, and had no office nor acting officers; and did not perform the agreement. About three years afterwards, the pledgee sold the bonds in good faith at their market value, without notice to the bank. *Held*, that the giving of the notice had been rendered impossible by the act of the bank, and that neither the pledgee nor its agent in the sale was liable for a conversion of the bonds. *Ibid*.

CONSIDERATION.

See EQUITY, 2.

CONVERSION.

See CONDITION, 2.

COPYRIGHT.

The title of a copyrighted publication, separate from the publication which it is used to designate, is not within the protection of the copyright. *Osgood v. Allen*, 185.

CORPORATION.

See BANKRUPTCY, 1, 2, 3; DIRECTOR; INJUNCTION, 6; TAX, 3, 4.

COURSE.

See COLLISION, 2; SAILING-VESSEL.

CREDITOR.

See PREFERENCE.

DAMAGES.

1. Nominal damages only allowed on judgment for defendant in replevin, where he has failed to show right in himself to the property in controversy. *Treat v. S'aples*, 1.
2. Where an experienced and capable master of a vessel badly injured by a collision at sea, himself a part owner of the ship and cargo, acting in good faith according to his own judgment and the advice of two other ship-masters, abandons the vessel and cargo, their value is to be taken as a total loss in estimating the damages by the collision, although the other vessel, almost as badly injured, succeeded in reaching a port of safety. *Swift v. Brownell*, 467.
3. In estimating the damage caused by a collision between two New Bedford whaling-ships in the Arctic Ocean, a cargo of bone and oil on one of them, there abandoned with the ship, in consequence of the collision, is to be taken at its market value in New Bedford, at the time when it would ordinarily have arrived there, if shipped at the time and from the place of the collision. *Ibid.*
4. In estimating the damages to a ship on a whaling voyage, caused by a collision, demurrage is to be allowed for the time she is in port undergoing repairs. *Ibid.*
5. In cases of collision, where both vessels are in fault, and the fault of both contributes to cause the collision, damages are divided. *Dolner v. The Monticello*, 7.

DEBT OF ANOTHER.

See STATUTE OF FRAUDS.

DEMURRAGE.

The ship has a privilege against the cargo for damages in the nature of demurrage, enforceable in the admiralty, when the cargo has not been received within a reasonable time, through fault of the consignee, although the bill of lading contains no demurrage clause. *Donaldson v. McDowell*, 290.

See DAMAGES, 4; LAY-DAYS.

DEMURRER.

1. A bill in equity is not demurrable on the ground of a plain, adequate, and complete remedy at law, when it appears that the remedy at law can only be prosecuted by means of a large number of actions, involving many questions of values and accounts which it would be practically impossible for a jury to settle. *Plummer v. Connecticut Mut. Life Ins. Co.*, 267.
2. A demurrer to a bill in equity admits only facts well pleaded in the bill; not averments of conclusions of law, nor as to construction of documents or parol agreements inconsistent with written agreements alleged in the bill. *Dillon v. Barnard*, 386.

DIRECTOR.

1. The directors of an insolvent corporation, while it is under their management, hold the position of trustees of its assets for the benefit of its creditors, and, if themselves creditors, cannot secure to themselves any preference or advantage over other creditors. *Bradley v. Farwell*, 433.
2. A transfer of the assets of an insolvent corporation, according to vote of its directors, to a partnership of which one of the directors is a member, made more than six months before proceedings in bankruptcy against the corporation, as payment of, or security for, a debt due the partnership from the corporation, to the prejudice of other creditors, may be set aside, and the property so transferred recovered, in a suit in equity for that purpose, brought by the assignees in bankruptcy of the corporation. *Ibid.*

DISCHARGE IN BANKRUPTCY.

See PREFERENCE, 1.

DISCOVERY.

See ACCOUNT.

DIVIDENDS.

See TAX, 3, 4.

DRAWINGS.

See PATENT, 45.

DUTY.

By the sixth section of the act of March 3, 1865 (13 Stats. 493), an additional duty of ten per cent was imposed on certain wools imported from certain places. The first section of the act of March 2, 1867 (14 Stats. 559), provided that from and after the passage of the act, "in lieu of the duties now imposed by law," certain specified duties should be assessed on all unmanufactured wool, &c., "imported from foreign countries." *Held*, that the former act was repealed by the act of 1867; and that after the passage of the latter, only the duty specified in it could be assessed on imported wool. *Washington Mills v. Russell*, 245.

See IMPORT.

EARNINGS.

See TAX, 3, 4.

EQUITY.

1. The assignor of his estate in trust to distribute the proceeds thereof ratably among his creditors, upon release of their claims within a specified time,

and pay over to him the balance of proceeds remaining undistributed at the end of that time, may, after expiration of the specified period, by bill in equity in which the assignee and the only unpaid creditor are made parties defendant, compel a full and exact account of the dealings of the assignee with the trust estate. *Carpenter v. Robinson*, 67.

2. In order to hold a purchaser of trust property from a trustee authorized to sell, liable in equity to account for and pay the proceeds thereof to the *cestui que trust*, on the ground of fraudulent collusion with the trustee in the purchase, in the absence of other evidence of fraud, such inadequacy of consideration as would of itself be an indication of fraud must be proved beyond question. *Ibid*.
3. The grantee of the exclusive right to use, rent, and vend, a patented invention within a specified territory, cannot maintain a suit in equity in his own name, under the patent, to restrain a violation of his exclusive right. *Hill v. Whitcomb*, 317.
4. A suit in equity by the grantee of the exclusive right to use, rent, and vend, within a specified territory, machines containing certain patented inventions, to restrain the use of such machines in that territory by a subsequent purchaser from the same grantor outside of the territory, with notice of the prior grant, is not a suit arising under the patent laws of the United States; and not within the jurisdiction of the Circuit Court, unless the parties are citizens of different States. *Ibid*.
5. The Circuit Court has jurisdiction in equity on bill or petition filed, and proper case made, to restrain the use of its process by the marshal in a manner contrary to law. *Gibbs v. Usher*, 348.

See ACCOUNT; INJUNCTION; MORTGAGE, 4; PROFITS; PURCHASER, 2; TRADE-MARK, 2, 3.

EQUIVALENT.

It is not always sufficient proof that two combinations of mechanical elements are equivalent, to show that each element of one combination may be regarded under some circumstances as the equivalent of the corresponding element in the other, when the elements are separately considered. If the mechanical combination of the elements of the two machines be such that the action and mode of operation of the machines differ, then one is not a mere mechanical equivalent for the other. *Blake v. Rawson*, 200.

See INFRINGEMENT, 3, 4, 5; PATENT, 16, 17.

ERROR.

See VERDICT.

ESTOPPEL.

The owner of a patent is not estopped from prosecuting a suit to restrain infringement thereof, by his previous admissions, afterwards recalled, that he was not the owner of the patent, unless it appears that the acts complained of were committed after, and in reliance upon, the admissions, and without notice of their recall. *Gear v. Grosvenor*, 215.

See INTERFERENCE.

EVIDENCE.

Evidence of a statement made by the defendant to a witness, of the contents of a letter of the defendant not called for, is competent. *Paige v. Loring*, 275.

See NOTICE OF DEFENCE.

EXECUTION.

See BANKRUPTCY, 4, 5, 6.

EXECUTOR.

See REISSUE, 1.

EXPERIMENT.

See PATENT, 4, 12, 21, 44.

EXTENSION.

1. The jurisdiction of the Commissioner of Patents in the matter of extension of letters-patent commences on the filing of the petition and payment of the required fee. The subsequent ordering of notice, and adjudication whether publication has been duly made, are acts in the exercise of the jurisdiction previously acquired. *Gear v. Grosvenor*, 215.
2. A conveyance of the extension of a patent, made before extension granted, becomes operative, and the legal title vests in the assignee, upon the grant of the extension. *Ibid.*
3. A patentee applying for extension should himself have an interest in the extension. An equitable interest is sufficient. *Ibid.*
4. An assignment of all the grantor's right, title, and interest in certain "letters-patent," *habendum* "to the full end of the term for which said letters-patent are or may be granted," conveys no interest in a subsequent extended term of the patent. *Ibid.*
5. An assignment, before patent granted, of all the grantor's right, title, and interest in a certain *invention*, *habendum* to the full end of the term for which "letters-patent are or may be granted," conveys the grantor's interest in an extended term of a patent for the invention. *Ibid.*

See PATENT, 8, 26.

FOG.

See COLLISION, 1; FOG-HORN; STEAMSHIP, 1.

FOG-HORN.

The act of 1864, chap. 69, art. 10 (13 Stats. 60), requires a fog-horn to be sounded on a sailing-ship under way, when there is fog enough by day to shut out the view of the sails or hull, or at night the lights, of vessels within the range of the sound of the horn. *Dohner v. Steamer Monticello*, 7.

FOREIGN TRADE.

See TRADE, 1.

FORGERY.

See STOCK CERTIFICATE.

FREIGHT.

1. Unreasonable delay in the delivery of a cargo is no defence to a libel for the freight, without proof of damage to the defendant by reason of such delay. *Page v. Munro*, 232.
2. There is no "freight pending" on a whaling voyage within the meaning of sect. 3 of the act of March 3, 1851 (9 Stats. 635). *Swift v. Brownell*, 467.

IMPORT.

The value of an import is determined by the appraisal, and the duty fixed by law must be assessed by the collector upon the value so determined. *Wills v. Russell*, 228.

See APPRAISERS.

INFRINGEMENT.

1. The claim of a patent was for "a carpet-lining composed of a lap of soft, sheet, fibrous material, surfaced or protected not only on its opposite sides, but also around its opposite edges." One mode of making the lining was described in the patent to consist in leaving the fibrous material narrower than the sheets of paper between which it was placed, and then uniting the edges of the sheets by paste or cement. *Held*, that the patent was infringed by a carpet-lining made by enclosing a lap of fibrous material in a single wide sheet of paper, the edges of which were folded over so as to overlap along the centre of the lap, and there secured to each other and the lap by a line of stitching. *Fales v. Wentworth*, 96.
2. A patentee described and claimed a brush, having around the head, near the bristles, an angular groove, in which was placed a band of rubber made in the form of a parallelogram or rhombus, with one of its angles projecting outwards, so as to prevent the hard brush-head from coming in contact with the glass or other surface to be washed or dusted; the defendants' brushes had around the head, near the bristles, a semicircular groove, in which was fitted a round rubber band, for the same purpose as the patentee's band. *Held*, that, as the operative part of the band could come in contact with the surface to be brushed only on one line in the periphery of the band, it was immaterial whether the band was round or angular in shape, or whether the groove was semicircular, or polygonal, or triangular; and that the defendants infringed. *Murphy v. Eastham*, 113.
3. A patent for a compound is infringed by the manufacture of a compound in which known chemical equivalents are substituted for one or more of the elements of the compound. *Woodward v. Morrison*, 124.
4. The use of chemical equivalents in place of one or more of the elements of a patented compound may infringe the patent for the compound, although in some respects the substituted equivalents are improvements. *Ibid*.

5. The complainant's patent was for a paste having as one of its ingredients chloride of sodium. The defendant, in the manufacture of paste, used chloride of zinc, a known chemical equivalent of chloride of sodium, for such purpose, the other ingredients being the same as complainant's. *Held*, that the defendant infringed; it appearing that in the process of manufacture, chloride of zinc produced practically the same result, in the same way, as chloride of sodium. *Ibid*.
6. In view of the prior state of the art, the reissued patent, No. 2829, dated Dec. 31, 1867, granted Sylvanus Walker, for an improvement in clothes-wringers, originally patented to Isaac A. Sergeant, July 27, 1858, must be construed as a patent for a wringer consisting of a new U-shaped yoke frame, with uprights or their equivalents, in which a wringing mechanism is supported in position on one side of a wash-tub, in combination with an adjustable clamping device for fastening the wringer to the tub. So construed, the patent is not infringed by the manufacture and sale of a clothes-wringer consisting of an old adjustable clamping device for holding the wringer to one side of a wash-tub, and two upright standards connected at the bottom by a cross-bar; the standards supporting the journals of the pressure-rollers of an old wringing mechanism. *Metropolitan Washing Machine Co. v. Tool Co.*, 161.
7. The purpose of an apparatus, as stated in the specification of a patent, was "to utilize exhaust steam from a steam-engine, for the purpose of making extracts from tan-bark and other materials." The claim of the patent was for the combination of the exhaust-pipe with certain other devices, "in the manner and for the purpose substantially as set forth." *Held*, that the patent was not infringed by an apparatus for making extract from tan-bark, in which exhaust steam was not used, but the steam was taken direct from the boiler of the engine, through a pipe of such dimensions as would effectually prevent its practical use in the apparatus in connection with the exhaust-pipe of a steam-engine. *Bridge v. Brown*, 205.
8. The device for gauging the size of the eye in the machine for making weaver's harnesses, described in the English patent to Ellis and Sladden, dated Jan. 15, 1864, No. 117, infringes the third and fourth claims of the patent originally granted Joseph S. Winsor, Jan. 2, 1855, reissued Feb. 11, 1873, for an improvement in machines for making weaver's harnesses. *Kendrick v. Emmons*, 234.
9. A patent for a wringer-roll consisting of india-rubber in which a woven, fibrous material is embedded, wound on a shaft so that the fibres extend out from the shaft into the body of the roll in curved radial lines, thus giving rigidity to the inner part of the roll, and tying it to the more elastic outer covering of india-rubber; is not infringed by the manufacture and sale of a wringer-roll in which separate strands of fibrous material embedded in india-rubber are looped about a wire wound so tightly around the shaft as to make part of it; and the ends of the strands extend out from the shaft in straight radial lines, thus fastening the rubber to the shaft without materially increasing the rigidity of the inner part of the roll. *Forsyth v. Clapp*, 278.

10. A patent for a device for attaching a button-head to a helical shank by means of a disk with a smooth edge, soldered to the shank and sunk in the button-head, in combination with one or more cross-bars secured to the shank or head and resting in grooves in the bottom of the head radial to the shank, is not infringed by a stud in which a disk with a serrated edge to hold it in place is soldered to a helical shank and sunk in the stud-head. *Potter v. Thayer*, 293.
11. The first, third, and fifth claims of the reissue patent granted the United States Steam-Gauge Co., assignee of Elijah Clarke, March 5, 1872, for a registering steam-gauge, construed with reference to the state of the art at the time of the patented invention, must be limited to the particular combinations of the particular elements described, or substantially the same. So construed, the claims are not infringed by the gauge patented to T. C. Hargrave, March 19, 1872. *United States Steam-Gauge Co. v. American Steam-Gauge Co.*, 309.
12. A patent for a paint for ships' bottoms, compounded of a suitable vehicle or medium; oxide of copper yielding a poisonous solution in sea-water; and an earthy or mineral base, serving to separate the particles of the oxide and retard its solution in sea-water; is infringed by the manufacture and sale of a paint for ships' bottoms, compounded of a vehicle substantially the same for the purpose as that described in the patent; oxide of copper as the protective agent; a material consisting of oxide of iron and earthy matter, operating to retard the solution of the oxide of copper in sea-water; and a small proportion of arsenic. *Tarr v. Folsom*, 312.
13. A claim for the electro-deposition of nickel by means of a solution of the double sulphate of nickel and ammonia, or a solution of the double chloride of nickel and ammonium, prepared and used in such a manner as to be free from the presence of potash, soda, alumina, lime, or nitric acid, or from any acid or alkaline reaction, is infringed by the use, in the electro-deposition of nickel, of a solution of the double sulphate of nickel and ammonia; although such solution contains a small proportion of tartrate of ammonia, and ammonia, the first of these being an inert substance in the solution, and the second being speedily eliminated by evaporation when the solution is used. *United Nickel Co. v. Keith*, 328.
14. A patent for a deodorized heavy hydrocarbon oil, made by distilling off, under atmospheric pressure, from the heavy hydrocarbon oils (themselves the products of distillation) the light offensive oils produced by the previous distillations, is not infringed by the manufacture of a hydrocarbon oil having substantially the same characteristics, by distillation directly from crude petroleum in a vacuum, so conducted as to produce the desired oil as a distillate free from the light offensive oils. *Merrill v. Yeomans*, 331.
15. In view of the prior state of the art, the reissue patent granted E. H. Ashcroft, assignee of William Naylor, Nov. 9, 1869, for a steam safety-valve having an overhanging downward-curved lip surrounding an annular recess into which the steam passes as it issues from under the valve, if valid, must be limited to the combination of the other elements of the device with an annular recess of the precise form described. So limited,

the patent is not infringed by the use of a steam safety-valve substantially the same as that described and shown in the patent granted George W. Richardson Sept. 25, 1866, although that valve has an overhanging downward-curved lip and an annular recess surrounding the valve-seat, into which a portion of the issuing steam is deflected; the lip and recess being, in construction and mode of operation, substantially different from the lip and recess described in the Naylor patent. *Ashcroft v. Boston & Lowell R. R. Co.*, 366.

16. The reissue patent of Edwin P. Monroe, granted Oct. 16, 1860, for a new and improved egg-beater, is not infringed by the manufacture and sale of egg-beaters constructed according to the patent granted Turner Williams and E. D. Goodrich, May 31, 1870. *Monroe v. Dover Stamping Co.*, 413.
17. A patent for the combination in a hand-mirror, of a glass, a back or base piece of wood or other suitable material elongated at one end and having a strip of metal or other stout material on the back extending down into the handle of the mirror as a stiffener, and an outer back and handle of suitable plastic material moulded around the back piece and handle extension, is not infringed by the manufacture and sale of hand-mirrors having no back or base piece of wood or other material, and no extension piece therefrom into the handle, and in which the frame and handle are composed only of the plastic material, and the handle is strengthened by two embedded nails which do not extend up behind the glass. *Florence Manufacturing Co. v. Boston Diatite Co.*, 415.
18. A patent for a spark arrester and consumer for locomotives, which consists in the combination of a blast-pipe with a return-flue, so arranged that the sparks, &c., are driven by the blast in a continuous current through the flue from the smoke-pipe back into the fire-chamber, is infringed by the use of a spark arrester and consumer consisting of a blast-pipe and two return-flues, so arranged that the sparks are carried by the blast into the fire-chamber in a continuous current through the flues without resting, although the current is accelerated, and the combustion of the returned sparks is aided, by a current of air brought into the return-flues by an additional device. *Pike v. Providence & Worcester R. R. Co.*, 445.
19. The manufacture of one of the elements of a patented combination, not proved to be made for use in connection with the other elements, is not an infringement of the patent for the combination. *Saxe v. Hammond*, 456.
20. A patent for the application to organs, &c., of any means of agitating the air "by agency external to the wind-chest, which shall not prevent the flow of the air past the reeds," so as to produce a continuous tremulous note, instead of a succession of notes, is not infringed by the manufacture of a wooden fan capable of being so applied, unless the manufacture is proved to be for the purpose of such application. *Ibid.*
21. A patented improvement in centrifugal machines for draining sugar and other substances consisted in providing openings in the bottom of the revolving cylinder, for the discharge of the drained sugar, &c., and a cover, moving up and down, inside, and on the shaft of, the cylinder, for the purpose of

closing the openings during the operation of draining, and uncovering them for the discharge. *Held*, that the patent was infringed by the use of a centrifugal sugar-draining machine, in which the openings in the bottom of the cylinder were closed and uncovered by a cover turning upon the shaft as an axis, instead of moving up and down upon it. *Weston v. Nash*, 488.

See PATENT, 36, 43.

INJUNCTION.

1. A preliminary injunction will not be granted to restrain infringement of letters-patent, where, upon the evidence, the court entertains strong doubts as to the novelty of the patented invention. *Jones v. Hodges*, 37.
2. A preliminary injunction to restrain infringement of a patent refused, where the court was in doubt as to the validity of the patent. *Fales v. Wentworth*, 96.
3. It appearing that there had been undisputed possession for many years under the patent sued on; that the patented invention was new and useful; and that the infringement was clear; a preliminary injunction was granted. *Miller v. Androscoggin Pulp Co.*, 142.
4. An injunction may be granted to restrain acts in violation of a lawful contract, although the nature of the contract is such that specific performance cannot be enforced. *Singer Co. v. Union Co.*, 253.
5. A court of equity may restrain by injunction, acts in violation of an existing lawful contract, although it is terminable at the option of one of the parties only; unless the contract is of such a nature that the reservation of the right so to terminate makes the whole contract inequitable. *Ibid.*
6. A corporation, the owner of certain patents, granted an exclusive license to the complainant to sell machines containing the patented inventions, and agreed to furnish the machines at a certain price. After furnishing many machines, the corporation, without fault of complainant, refused to deliver more; assigned the patent to one having knowledge of the contract, in trust for another association; and took measures for its own dissolution. On bill in equity by the licensee, a preliminary injunction was granted restraining the corporation from dissolving its organization, and the assignee in trust of the patents from transferring them. *Ibid.*
7. A preliminary injunction was granted where the complainant had been long in the enjoyment of his rights under his patent, and there was no doubt as to the defendants' infringement, and the evidence failed to satisfy the court of the existence of articles alleged to have been in use before the date of the patented invention. *Chase v. Wesson*, 274.
8. Where a preliminary injunction is sought to restrain alleged infringement of a patent which has not been sustained by judicial decision, the infringement must clearly appear. *Burleigh Rock Drill Co. v. Lobdell*, 450.

See ACCOUNT.

INSOLVENCY.

A trader is insolvent within the meaning of the bankrupt act when he is unable to pay his debts as they fall due in the ordinary course of business. *Re Louis J. Doyle*, 61.

See ASSIGNMENT, 2; DIRECTOR.

INSURANCE.

1. The right of a mortgagee, whose interest in the mortgaged property has been insured by a policy, payable to him as mortgagee, containing a provision for apportionment of the loss in case of other insurance on the property, to recover the amount of the policy, is not affected by insurance of the mortgagor's interest in the same property, effected and made payable to the mortgagee without his knowledge or request. *Johnson v. North British & M. Ins. Co.*, 117.
2. A policy of insurance on a vessel for a voyage to a certain port and twenty-four hours after anchoring in safety, is not terminated by her arrival, and lying at anchor in safety more than twenty-four hours, at the anchorage ground outside the harbor of the port, and there, according to the custom of vessels of her draught bound for the port, discharging part of her cargo by lighters, in order to enable her to pass over a bar at the entrance to the harbor. *Simpson v. Pacific Mutual Ins. Co.*, 136.
3. Policies of insurance are to be construed largely according to the intention of the parties, and for the indemnity of the assured, and the advancement of trade. *Mauger v. Holyoke Mut. Fire Ins. Co.*, 287.
4. The intention of the parties may be shown by evidence of facts and circumstances existing when the insurance was effected, but not stated in the policy. *Ibid.*

See BOTTOMRY AND RESPONDENTIA.

INSURANCE COMPANY.

See BANKRUPTCY, 3.

INTERFERENCE.

After decision by the Patent Office of an interference between an applicant for a patent and the grantee of a patent theretofore issued, granting a patent to the applicant as the prior inventor, suit was brought in the Circuit Court by his assignee of the patent to have the interfering patent declared void. *Held*, 1. That the decision of the Patent Office in the interference was not conclusive upon the question of priority of invention; 2. That the defendants were not, by the statement of the date of his invention made to the Patent Office by the patentee, their assignor, estopped to show that his invention was in fact made at an earlier date. *Union Paper-Bag Machine Co. v. Crane*, 429.

INVENTION.

1. The application of a peculiar process previously patented and used for preserving animal and vegetable food and other perishable articles, the vegetable substances to be preserved being taken in a raw or crude state, to the preserving of green corn, is not a patentable invention, although the corn is cut from the cob before it is preserved. *Jones v. Hodges*, 37.
2. An invention of a flour-paste containing corrosive sublimate to prevent putrefaction, but in such small quantities in proportion to the flour that its poisonous and corrosive qualities are neutralized by the flour, and the paste thus rendered innocuous, is not anticipated by a flour-paste in which a larger proportion of corrosive sublimate was used for the purpose of making the paste poisonous and corrosive. *Woodward v. Morrison*, 124.
3. An invention of a pad for harness-saddles, having, as its distinguishing feature, an impervious bearing surface of vulcanized rubber or gutta-percha, is not anticipated by previous use of harness saddle-pads having bearing surfaces of other materials than vulcanized rubber, or rubber-cloth, or gutta-percha. *American Saddle Co. v. Hogg*, 133.
4. An invention consisting in the use for a roofing, of a mixture of pulverized argillaceous rock and coal-tar, of the consistency of plasterers' mortar, hardening on exposure into a solid slate roof, is not anticipated by prior use of thin mixtures of pulverized slaty material and oil or coal-tar, as paints for the sides and roofs of buildings. *Plastic Slate Roofing Co. v. Moore*, 167.
5. The fact that an article is better and more useful in the trade than those previously in use, is evidence of novelty; but if the superiority is attained by the application of known means, in a known way, to produce a known result, though a better one, the novelty required by the patent law is wanting. *Smith v. Nichols*, 172.
6. Woven elastic fabrics of various degrees of elasticity being old; and the way to increase or diminish the elasticity, by increasing or diminishing the relative proportion of elastic strands to the other threads, being known; a fabric differing from those previously used only in being more tightly woven, and more elastic by reason of having a greater proportion of elastic strands, is not patentable as a new article of manufacture. *Ibid.*
7. An old article, though made by a new machine, is not patentable as a new article of manufacture. *Draper v. Hudson*, 208.
8. Mere changes in the form and proportions of the parts of an old device, improving its operation without changing the mode of operation, and producing only a better result of the same kind, do not constitute a patentable invention. *Ex parte Greeley*, 284.
9. It is not a patentable invention to substitute in a device for securing a button-head or stud to a helical shank, a disk soldered to the shank and sunk in the head or stud, and having a serrated edge to keep it from turning, in place of a disk so soldered and sunk, having a smooth edge. *Potter v. Thayer*, 293.

10. A new combination of old mechanical devices, producing new results, or old results by a new method of operation, is patentable. *Child v. Boston & Fairhaven Iron Works*, 303.
11. A paint for ships' bottoms, which differs from those previously known in the omission of an ingredient before supposed to be essential in such paints, and is simpler and cheaper in manufacture, and equally effective in operation, is patentable. *Tarr v. Folsom*, 312.
12. Where the invention described and claimed in a patent is of a machine of specified construction, it is anticipated by a prior machine of substantially the same construction; although a new, and perhaps patentable, use of the machine is suggested in the specification of the patent. *Boston Elastic Fabrics Co. v. Rubber Thread Co.*, 372.
13. Paper collars and cuffs, and paper embossed in various modes, some of which were imitations of textile fabrics, being known in the art, there is no patentable novelty in the application of paper embossed in imitation of linen to the making of collars and cuffs. *Union Paper Collar Co. v. Leland*, 427.
14. An invention of a spark arrester and consumer for locomotives, which consists in the combination of a blast-pipe with a return-flue so arranged that the sparks are driven by the blast in a continuous current through the flue from the smoke-pipe back into the fire-chamber, without resting, is not anticipated by prior spark arresters, which, though in some respects of construction the same, were not practically effectual to produce a continuous current, carrying the sparks into the fire-chamber without resting. *Pike v. Providence & Worcester R. R. Co.*, 445.
15. An invention of an improvement in bottle-stopper fastenings, consisting of a U-shaped movable wire fastener extending over the top of the stopper and connected with another wire surrounding the neck of the bottle, held not anticipated by a previously patented U-shaped movable fastener made of sheet metal, extending over the stopper and connected with a sheet-metal strap around the neck of the bottle; it appearing that the wire fastener possessed great practical advantages over the other, and that the result accomplished by it was different, in that the wire fastener became embedded in the cork by pressure from within the bottle, and yet could be pushed from over the cork without injury to the thumbs of the operator or to the cork. *Putnam v. Weatherbee*, 497.

LAY.

See SEAMAN, 1, 2.

LAY-DAYS.

A bill of lading provided for demurrage after lay-days, beginning "twenty-four hours after arrival at the above-named port, and notice thereof to the consignee." When the vessel arrived at the port named in the bill of lading, the consignee's wharf was inaccessible on account of ice and lack of sufficient water, whereupon the master took her to the only accessible wharf in

the port, and notified the consignee, and offered to deliver the cargo, which offer was not accepted. *Held*, that the lay-days began to run twenty-four hours after notice to the consignee. *Choate v. Meredith*, 500.

LICENSE.

See ASSIGNMENT, 1; NOTICE OF DEFENCE, 3; PURCHASER, 1.

LIEN.

A voyage from Maine to Boston was abandoned on account of unseaworthiness of the vessel, caused by perils of the seas, and the vessel taken to an intermediate port, where the agent of the owners of the cargo sold the cargo to the master. *Held*, that the owners of the cargo had no lien upon the vessel for non-delivery of the cargo at the port of destination. *Winterport Co. v. Schooner Jasper*, 99.

See DEMURRAGE.

LIGHTS.

See COLLISION, 3.

MACHINE.

See INVENTION, 12; PATENT, 24.

MARSHAL.

See EQUITY, 5.

MASTER.

1. The finding of a master, upon a question of fact as to the construction of an apparatus, will not be reversed where it is based not only upon evidence before him not fully reported to the court, but also on his own examination of the apparatus, made by consent and in the presence of the parties. *Piper v. Brown*, 196.
2. The use of a certain apparatus by the defendants having been adjudged an infringement of the complainant's patent for a process, they claimed, on the accounting, to have so altered it that its use thereafter no longer infringed the patent; and exhibited to the master such portions of it as were not in use, but, though requested, refused to exhibit the portions which were in use. *Held*, that the master was justified in finding that the defendants still infringed the patent by the use of the apparatus. *Ibid*.

See REPORT.

MORTGAGE.

1. A mortgage of personal property valid as between the parties, and not fraudulent under the bankrupt act, is good against the assignee or trustee of the mortgagor in bankruptcy, although not recorded as required by law of the State in which it is made. *Coggeshall v. Potter*, 75.

2. A mortgage given by a debtor to his creditor within four months before the debtor's petition in bankruptcy, in exchange for a deed of the same property given to the creditor more than four months before the petition, is valid against the debtor's assignees in bankruptcy, although the deed has not been recorded, and no possession under it been taken, before the exchange. *Sawyer v. Turpin*, 226.
3. A mortgage held void as against the assignees in bankruptcy of the mortgagor; it having been given within four months before his petition in bankruptcy, he being then insolvent, to a creditor who had reasonable cause to believe him to be insolvent. *Ibid.*
4. A provision in a mortgage of the property and franchises of a railroad corporation to trustees, made to secure certain mortgage bonds to be issued thereunder for the purpose of providing for and retiring the then existing mortgage debt and prior liens on the railroad, and completing and equipping the road; that the expenditure of all sums realized from the sale of the bonds "shall be made with the approval of at least one of the trustees, whose assent in writing shall be necessary to all contracts made by the" corporation "before the same shall be a charge upon any of the sums received from said sales," does not create a charge upon the proceeds of the sales of the mortgage bonds, in favor of one who afterwards built a portion of the road under a written contract with the corporation, which contract did not itself impose such charge. *Dillon v. Barnard*, 386.

MORTGAGEE.

The District Court has no jurisdiction of a summary petition by a mortgagee of property of a bankrupt against the assignee in bankruptcy, for sale of the mortgaged property before the bankruptcy proceedings, and always since, in the possession of and claimed by, receivers appointed by a State court, not parties to the petition. The title to such property must be settled by regular proceeding at law or in equity. *Bradley v. Healey*, 451.

See INSURANCE, 1.

NOTICE OF DEFENCE.

1. In a suit in equity to restrain infringement of letters-patent, evidence to show want of novelty in the patented invention, which is not admissible for want of proper notice of such defence in the answer, is not made admissible by a subsequent amendment of the answer setting up the defence in due form. *Roberts v. Buck*, 224.
2. Where the answer in a suit in equity to restrain infringement of a patent, contains no notice of prior patents, or persons by whom, and places where, the patented improvement was known or used before the alleged invention of the patentee; copies of the drawings of prior patents, and testimony respecting them, are not admissible in evidence, against the complainant's objection, to show that the patentee was not the original and first inventor of the patented improvement. *Earle v. Dexter*, 412.

3. Where, in a suit for infringement of a patent, no question is made by the pleadings as to the novelty and originality of the patented invention, and the prior use relied on in defence is a use by the inventor or under his license, it is not necessary to give notice of the persons so using the invention, or the places where it was used. *American Hide & Leather Splitting Co. v. Tool Co.*, 503.

NOVELTY.

Where, in a suit in equity on a patent, no infringement is found, the court will not pass upon the question of the novelty of the patented invention. *Saxe v. Hammond*, 456.

See INVENTION.

OBJECTION.

A waiver of an objection entered on the record of a suit in equity, should also be entered on the record. *American Saddle Co. v. Hogg*, 177.

PARTNERSHIP.

A court of equity will not, on bill of the members of a partnership, decree the return of partnership property attached in a suit of a creditor of one of the partners against him, and enjoin the attaching officer from further interfering with the property, unless it appears that it is needed to satisfy the claims of the partnership creditors, or that the partner sued has not an interest in the surplus which may remain after payment of the partnership debts. *Peck v. Schultze*, 28.

See SURETY.

PATENT.

1. A patent for a method for preserving fish or other articles in a close chamber by means of a freezing mixture having no contact with the atmosphere of the preserving chamber, is a patent for an art. *Piper v. Brown*, 20.
2. An inventor or discoverer of a new and useful art may have a valid patent for his invention or discovery, although he is ignorant of the philosophical or abstract principle involved in the practice of the art. *Ibid.*
3. In defence to a suit on a patent for a process, it is not sufficient to prove the existence before the patented invention of an apparatus which could have been used so as to practise the patented process. It must appear affirmatively that such apparatus was actually so used. *Ibid.*
4. A single experimental use of an apparatus, afterwards destroyed, in such way as to involve the practice of a certain process, does not prevent a subsequent original inventor or discoverer of the same process from having a valid patent therefor. *Ibid.*
5. A patent is to be construed without reference to previous correspondence with the Patent Office in relation thereto or rejected applications therefor. *Ibid.*

6. When a patented product passes lawfully into the hands of a purchaser without condition or restriction, it is no longer within the monopoly conferred by the patent or under the protection of the patent law. *Adams v. Burks*, 40.
7. The purchaser of a patented article lawfully manufactured and sold within his territory, without condition or restriction, by a territorial assignee of the patent, may use or sell it in another territory for which another person holds an assignment of the same patent. *Ibid.*
8. The purchaser of a patented machine from the grantee of the exclusive right to make and use, and license others to use, such machines within a specified territory during the original term of the patent only, acquires by his purchase no right, as against the patentee or his assigns, to continue the use of the machine after an extension of the patent. *Hawley v. Mitchell*, 42.
9. The patent granted Miles S. Cahill, Nov. 10, 1868, for an improved bronze dressing for leather, held valid. *Cahill v. Beckford*, 48.
10. A patent for a new and useful process, which clearly describes the process and the construction of some machinery or apparatus by which it can be carried out, covers all machinery or apparatus which will accomplish the same purpose in substantially the same way. *Bridge v. Brown*, 53.
11. The reissue patent, dated March 28, 1865, granted S. W. Pingree for an improved process for extracting tan bark, held invalid for want of novelty. *Ibid.*
12. The fact that articles were constructed as experiments, but never made public, and ultimately abandoned and lost, does not affect the right of a subsequent original inventor of substantially the same article to take out a patent for his invention. *Murphy v. Eastham*, 113.
13. In contemplation of law, a patentee is deemed to claim the thing patented, however its form and proportions may be varied. *Ibid.*
14. An invention of a compound to be used for a specified purpose is not anticipated by a description in a prior patent of a compound having physical properties which render it unfit for such use, and described as intended for a different, and not analogous, purpose. *Jenkins v. Walker*, 120.
15. To anticipate an invention of a compound, the specification of a prior patent must state the relative proportions of the ingredients of the compound in such full, clear, and exact terms, as to enable one skilled in the art to make and use the described compound without experiment of his own. *Ibid.*
16. A specification in a patent of the mechanical parts or chemical ingredients of the patented invention, includes known mechanical or chemical equivalents of the parts or ingredients named. *Woodward v. Morrison*, 124.
17. If there are equivalents existing, but previously unknown to ordinarily skilful mechanics or chemists, these are not included in the specification, unless expressly stated therein. *Ibid.*
18. In a suit in equity to restrain infringement of a patent, a prior patent not mentioned in the defendant's answer is admissible only as evidence of the state of the art at the date of the invention claimed in the complainant's patent. If seasonable objection is taken, it is not admissible to show want of novelty in that invention. *American Saddle Co. v. Hogg*, 133.

19. The invention of a method of reducing wood to paper pulp by tearing out the fibres of the wood by means of a grinding surface moving substantially across the fibres of the wood and in the same plane with them, described and claimed in the reissue to A. Pagenstecher, dated June 6, 1871, of the patent originally granted Henry Voelter, Aug. 10, 1858, is not anticipated by the French patent granted Christian Voelter, March 2, 1847, or the English patent of R. A. Brooman, dated June 10, 1853. *Miller v. Androscoggin Pulp Co.*, 142.
20. Where a patentee has granted the exclusive right to use and vend the patented invention within a specified territory, reserving to himself the right of manufacture, the legal title to the monopoly remains in him; and he alone can maintain an action against a third party who commits an infringement. *Sanford v. Messer*, 149.
21. Abandoned experiments, however suggestive, producing no practical and useful result, do not affect the validity of a subsequent patent to an original inventor. *United Nickel Co. v. Anthes*, 155.
22. The patents granted Isaac Adams, Jr., for improvements in the electro-deposition of nickel, dated Aug. 3, 1869, and May 10, 1870, held valid. *Ibid.*
23. The reissued patent granted to William L. Potter, July 16, 1867, for an "improved composition for roofing and other purposes," as limited by disclaimer of May 10, 1871, held valid for the use for roofing purposes of pulverized argillaceous rock mixed with coal-tar to the consistency of plasterer's mortar. *Plastic Slate Roofing Co. v. Moore*, 167.
24. A patent for a machine is not necessarily limited to the particular form of the machine described as the form used by the patentee. *Blake v. Rawson*, 200.
25. The reissue patent granted E. W. Blake, Jan. 9, 1866, for a machine for breaking stone, held valid. *Ibid.*
26. Extended letters-patent cannot be impeached in a suit for infringement, for fraud in obtaining the extension. *Gear v. Grosvenor*, 215.
27. The issuing of a patent is *prima facie* evidence that the legal prerequisites to the grant have been complied with; and recitals to that effect in the patent are not necessary. *Ibid.*
28. The patent originally granted D. W. C. Sanford, Nov. 13, 1855, reissued April 21, 1869, for an improvement in refrigerators, held invalid for want of novelty in the invention described and claimed. *Roberts v. Buck*, 224.
29. The patent granted Charles Montague, assignor to Cyril C. Child, Dec. 21, 1869, for an improvement in printing-presses, held valid. *Child v. Boston & Fairhaven Iron Works*, 303.
30. A patent for a composition of matter is not invalidated by failure to deposit a sample of one of the ingredients in the Patent Office. *Tarr v. Folsom*, 312.
31. A patent for improvement in corsets and abdominal supporters should not be held invalid on the testimony of a witness, that for the past ten or eleven years, commencing before the date of the patented invention, he had had made, in the course of his practice as a physician, corsets (no specimen of which was produced) "of the same general character" as an

- exhibit made after the complainant's invention; it appearing that each corset made for the witness was peculiar in its construction, and not adapted to accomplish the purpose of the patented invention. *Moody v. Taber*, 325.
32. The patents of Isaac Adams, Jr., dated Aug. 3, 1869, and May 10, 1870, for improvements in the electro-deposition of nickel, held valid. *United Nickel Co. v. Keith*, 328.
 33. Divisions, numbers 2,843 and 2,844 of the reissue patent granted William Smith, Jan. 14, 1868, for an improvement in weaving, held valid. *Smith v. Glendale Elastic Fabrics Co.*, 340.
 34. The reissue patent granted to the Dental Vulcanite Company, March 21, 1865, for an improvement in artificial gums and palates, held valid. *Good-year Dental Vulcanite Co. v. Smith*, 354.
 35. The reissue patent granted L. C. Chase, May 26, 1863, for improvement in buckles, held invalid for want of novelty. *Chase v. Sabin*, 395.
 36. The patent granted John Dwyer, administrator of Francis McLaughlin, Jan. 11, 1870, for an improved brush, held valid, and infringed by a brush of substantially the same construction, though different in form. *Murphy v. Kissling*, 432.
 37. In view of the prior state of the art, the twelfth claim of the patent for improvements in hoisting-apparatus and elevators, granted Otis Tufts, Aug. 9, 1859, which is for "passing the shipping-rods, and the cord or rod that operates the friction-brake, through the car or platform, for the object and purposes set forth," must be construed strictly in accordance with its language, as a claim for passing the described shipping-rods, and the described cord or rod operating the friction-brake, or their equivalents, through the car or platform, for the purposes set forth. *Tufts v. Boston Machine Co.*, 459.
 38. The first claim of the patent for improvements in the mode of suspending and operating elevators, &c., granted Otis Tufts, May 28, 1861, which is for constructing an elevator, or hoisting-apparatus, with a series of two or more hoisting ropes or chains, having independent attachments, and winding simultaneously upon the hoisting-drum, for greater safety, substantially as described, held invalid for want of novelty. *Ibid.*
 39. The second claim of the patent of May 28, 1861, for "equalizing the strain upon the series of ropes or chains of my (Tufts') improved elevator or hoisting-machine by automatic adjustment, substantially as described," held invalid for want of novelty. *Ibid.*
 40. The patent granted Otis Tufts, Dec. 11, 1866, for improvement in means for guiding elevators, held invalid for want of novelty. *Ibid.*
 41. The specification of a patent for improvement in centrifugal machines for draining sugar and other substances, described several improvements. One of the claims was for certain devices "in such machines." Held, that the words "such machines" referred to centrifugal machines so constructed as to admit of the operation of the claimed devices in substantially the described manner, and not merely to machines containing all the improvements described in the patent. *Weston v. Nash*, 488.

42. The invention described in the specification and claimed in the fifth claim of the reissue patent granted David M. Weston, Jan. 14, 1868, for improvement in centrifugal machines for draining sugar and other substances, is not anticipated by the English patents of Hardman and Alliot, dated respectively Oct. 5, 1843, and Feb. 3, 1851. *Ibid.*
43. The claim of the reissue patent for improvement in spring-fixtures for shades, granted Stewart Hartshorn, Aug. 27, 1867, construed with reference to the actual invention of the patentee, is not limited to the peculiarly shaped pawl and ratchet described in the specification and mentioned in the claim. The claim is infringed by any arrangement of a pawl and ratchet such that they will engage on checking the upward movement of the shade, and the shade thus be retained at any desired height, by simple manipulation of the shade itself. *Hartshorn v. Almy*, 493.
44. Under the act of March 3, 1839 (5 Stats. 353), a patent is invalid, if the patented invention was in public use (unless merely for purposes of experiment), or on sale, with the consent or allowance of the inventor more than two years before his application for the patent. *American Hide & Leather Splitting Co. v. Tool Co.*, 503.
45. It is not necessary that the drawings of a patent should be capable of use as working drawings, or that a machine made according to the exact scale of the drawings should be an operative machine. It is sufficient that the invention be so described and shown that one skilled in the art to which it relates would be able, by the aid of the description and drawings, to embody the invention in an operative and efficient form. *Ibid.*

See ABANDONMENT, 3; APPLICATION; CLAIM; EQUITY, 3, 4; INFRINGEMENT; INJUNCTION; INVENTION; REISSUE; UTILITY.

PENALTY.

See TAX, 1, 2.

PERFORMANCE.

See CONDITION.

PETITION.

• See MORTGAGEE.

PLACE OF BUSINESS.

See TAX, 8.

POLICY.

See INSURANCE.

POOR DEBTOR.

See BANKRUPTCY, 4, 5, 6.

POWER OF SALE.

See CONDITION.

PREFERENCE.

1. A payment to one of his creditors, made out of the ordinary and regular course of business by an insolvent debtor, within four months of his petition in bankruptcy, he then knowing himself to be insolvent, is a fraudulent preference within the meaning of the twenty-ninth section of the bankrupt act, and will prevent the granting of a discharge in bankruptcy to such debtor, although the preferred creditor at the time of the payment had not knowledge, nor reasonable cause to believe, that the debtor was then insolvent. *Re Louis J. Doyle*, 61.
2. The second clause of the thirty-fifth section of the bankrupt act, declaring void certain conveyances of his property by a bankrupt, does not apply to a *bona fide* preference of one of his creditors, made more than four months before the proceedings in bankruptcy. *Coggeshall v. Potter*, 75.
3. Under the thirty-fifth section of the bankrupt act, an assignee in bankruptcy cannot recover money paid by the bankrupt to a *bona fide* creditor more than four months before the filing of the petition in bankruptcy. *Shearman v. Bingham*, 272.
4. Under the thirty-fifth section of the bankrupt act, an assignee in bankruptcy may recover money paid to a creditor by the bankrupt, as a fraudulent preference, within four months before the petition in bankruptcy, if at the time of the payment the creditor had reasonable cause to believe that it was made in contemplation of insolvency, and to give him a preference over other creditors; although he had no reasonable cause to believe the debtor then to be insolvent in fact. *Paige v. Loring*, 275.

PRIOR PATENT.

See NOTICE OF DEFENCE, 2; PATENT, 15, 18, 21.

PRIOR USE.

See INVENTION, 2, 3, 4, 5, 6; NOTICE OF DEFENCE, 3; PATENT, 3, 4, 44.

PROCESS.

See INVENTION, 1; PATENT, 1, 2, 3, 4, 10.

PROFITS.

1. Where an infringing mechanism is a part of a machine made and sold by the infringer, the owner of the patent is entitled to recover in equity the profits realized from the manufacture and sale of the patented mechanism only, without regard to the profit or loss on the whole machine of which the patented mechanism forms a part, and without deduction of losses on infringing mechanisms made and sold at a loss. *Graham v. Mason*, 88.
2. Some of the infringing mechanisms made and sold by the defendant in a suit in equity on a patent, were made after a pattern of his own, differing from the complainants' in form, which was claimed to increase the value, and

- lessen the cost of manufacture, of the mechanism. *Held*, that the complainants were entitled to recover all the profits on all the mechanisms, including those made according to the defendant's own pattern. *Ibid*.
3. An infringer sold parts of infringing mechanisms to repair and restore such mechanisms previously sold by him. *Held*, that the complainants were entitled in equity to recover the profits made on the sales of such parts, as well as on the sales of the original mechanisms. *Ibid*.
 4. Where complainants received from the defendant a sum in full settlement of the complainants' claim against certain purchasers of infringing machines from the defendant, with an express agreement that the settlement should not affect the complainants' rights as against the defendant, *Held*, that the sum so received should not be deducted from the defendant's profits, nor added to the cost of manufacture of the machines. *Ibid*.
 5. The profits recoverable in equity by the owner of a patented invention from an infringer, are such only as result directly and immediately from the infringement. Remote and contingent profits are not recoverable. *Piper v. Brown*, 196.
 6. The defendants, in a suit in equity, by their use of the complainant's patented process of preserving fish, were enabled to withdraw fish from the market, and thus obtain a higher price for their unpreserved fish than they would otherwise have received. *Held*, that the profits resulting from such increased price were too remote and indirect to be charged against the defendants as profits realized from their infringement. *Ibid*.
 7. In estimating the profits realized from infringement of a patent, compensation is not allowed the infringer for his time and labor. *Ibid*.

PUBLIC AND COMMON USE.

1. The "public and common use" in the United States, necessary, under the sixth section of the act of March 3, 1839, to invalidate a patent for an invention previously patented in a foreign country, is a common and general use by the community. *American Hide & Leather Splitting Co. v. Tool Co.*, 503.
2. What would amount to such use depends upon the nature of the invention patented. *Ibid*.

PURCHASER.

1. A purchaser of patented articles from a former licensee under the patent, with knowledge that the vendor has repudiated the license and refused to pay the stipulated royalty on the articles, cannot set up the license as a defence to a suit of the patentee for infringement of the patent by the sale of the articles so purchased. *Moody v. Taber*, 325.
2. An assignee in bankruptcy cannot maintain a suit in equity to recover real estate purchased in good faith by the defendant for a nominal consideration (it then having no market value), within a month before the proceedings in bankruptcy, from the bankrupt's assignees in insolvency appointed several years before under the insolvency law of Massachusetts, although the property has since increased considerably in value. *Goldsmith v. Haggood*, 454.

See EQUITY, 2, 4; PATENT, 6, 7, 8; TRESPASS.

RAILROAD.

See BANKRUPTCY, 1.

RECORDING.

Under the resolve of the legislature of New Hampshire, approved June 22, 1831, conveyances of State lands by a land commissioner may be recorded in the office of the Secretary of State at any time, and take effect only on being so recorded. *Woods v. Jackson Manufacturing Co.*, 379.

See MORTGAGE, 1, 2.

REISSUE.

1. Where a patent has by the death of the patentee devolved upon his executor, and has been by him assigned, the assignee may take a reissue in his own name and for his own benefit. *Carew v. Boston Elastic Fabric Co.*, 45.
2. The grant of a reissue of a patent is not conclusive upon the question whether or not it is for the same invention as the original patent. *Bridge v. Brown*, 53.
3. In a suit for infringement of a reissued patent, the question whether or not the reissue is for the same invention as the original patent, is one of construction for the court upon comparison of the two instruments. Questions as to matters of fact connected with the surrender and reissue are closed by the decision of the commissioner granting the reissue. *Metropolitan Washing Machine Co. v. Tool Co.*, 161.
4. The specification of the original patent for a paint containing as one of its ingredients oxide of copper finely pulverized, described the oxide of copper to be used as "copper ore in the form of an oxide," and stated that the patentees preferred "to employ the pyritous friable ores, which are easily reduced to a fine powder." A reissue of the patent stated that the patentees preferred "to employ the oxide of copper made from the pyritous friable ores." Oxide of copper made by roasting the pyritous friable ores was known in the arts, and manufactured in large quantities, before the date of the original patent. *Held*, that the reissue was not for an invention different from that described in the original patent. *Tarr v. Folsom*, 312.
5. Where the specification of a patent for ornamented paper collars and cuffs in imitation of linen or other fabric, especially for ladies' use, points out that by the described mode of manufacture, the surface of the linen or fabric will be imitated, as well as the ornaments, the patent may lawfully be reissued so as to claim the imitated surface instead of the imitated ornaments, and collars generally, as well as those to be worn by ladies. *Union Paper Collar Co. v. Leland*, 427.

REMOVAL OF SUITS.

Under the act of March 2, 1867 (14 Stats. 558), a suit brought in a State court may be removed to the United States Circuit Court, by a defendant who

is a citizen of a different State from that in which the suit is brought, although there are other defendants who are citizens of the State in which it is brought. *Florence Co. v. Grover & Baker Co.*, 235.

REPEAL.

The provisions of a statute, so far as they are inconsistent with those of a subsequent statute relating to the same subject-matter, are by implication, if not expressly, repealed by the later statute. *Woods v. Jackson Iron Manufacturing Co.*, 379.

REPLEVIN.

1. Under the act of July 13, 1866 (14 Stats. 172), replevin does not lie for property of the plaintiff seized under a warrant by a collector of internal revenue as the property of another. *Treat v. Staples*, 1.
2. Under the General Statutes of Massachusetts, replevin lies in that State, and therefore by the practice act of 1870 (17 Stats. 196), in the Circuit Court for the District of Massachusetts, for writings or documents of value unlawfully detained. *Gibbs v. Usher*, 348.

See DAMAGES, 1.

REPORT.

After the master had submitted a draft of his report to counsel for the parties, the defendants asked leave to introduce further evidence. *Held*, that the request was rightly denied by the master. *Piper v. Brown*, 196.

RESPONDENTIA.

See BOTTOMRY AND RESPONDENTIA.

REVIEW.

On petition for review of the finding of the District Court, in bankruptcy, on a matter of fact, the burden is on the petitioner to show that the evidence cannot support the finding. *Coggeshall v. Potter*, 75.

SAILING-VESSEL.

Mere apprehension of danger, not then imminent, is not sufficient to justify a change of course by a sailing-vessel meeting a steamer under way. *Winter v. Steamer Hercules*, 465.

SALE.

The agent of the owners of a cargo of wood, described in the bill of lading as consisting of ninety-five cords, more or less, while the vessel was lying in a port to which she had been taken in an unseaworthy condition, offered by letter to sell the wood to the master of the vessel, at a certain price "per cord for the quantity shipped." The master seasonably mailed to the agent an acceptance of the offer, and on the next day wrote that he

would have the wood surveyed, and would remit as soon as he could make it convenient. On receipt of these communications, the agent replied, claiming that the term "quantity shipped," in his offer, meant the quantity "as per bill of lading," and requiring the master at once to remit the proceeds, with the bill of lading to verify the account, and notifying him that the wood was not his "property to move away or dispose of until he complied with these conditions." Before this reply was received, the master sold the wood, which, on survey, proved to contain seventy-eight cords and one foot. *Held*, that the sale was complete, and the title to the wood vested in the master when his acceptance of the offer to sell was mailed. *Winterport Co. v. Schooner Jasper*, 99.

See CONDITION.

SAMPLE.

See PATENT, 30.

SEAMAN.

1. A seaman, duly discharged at his own request from a whaling-ship at a foreign port, is entitled to be paid the *pro rata* part of his lay, reckoned according to the value of the catch at the home port. *Jenks v. Cox*, 92.
2. Where the *pro rata* share of the lay of a seaman, duly discharged at his own request from a whaling-ship at a foreign port, is reckoned, against his protest, according to the value of the catch at such port, instead of at the home port, and settlement is made by the seaman on such valuation, because he can obtain no other, he is not estopped by such settlement from afterwards claiming the difference between the sum paid him and his *pro rata* share of his lay, reckoned according to the value of the catch at the home port. *Ibid*.
3. Sect. 13 of the act of June 7, 1872 (17 Stats. 262), requiring agreements of seamen to be signed in the presence of a shipping commissioner, refers only to the agreements mentioned in sect. 12 of that act. *The Grace Lothrop*, 342.
4. The second clause of sect. 14, which provides for penalty for receiving to be entered on board a merchant-ship any seaman engaged or supplied contrary to the provisions of the act, does not refer to seamen who have agreed to make a voyage not mentioned in sect. 12, and have not signed the agreement in presence of a shipping commissioner. *Ibid*.

SHIPPING COMMISSIONER.

Sect. 8 of the act of June 7, 1872 (17 Stats. 262), authorizes the master, owner, or consignee of a ship about to make a voyage not mentioned in sect. 12, to be his own shipping commissioner; and this provision is not affected by sects. 13 or 14. *The Grace Lothrop*, 342.

See SEAMAN, 3, 4.

SPECIFIC PERFORMANCE.

See INJUNCTION, 4.

SPEED.

See STEAMSHIP.

STATUTE.

See REPEAL.

STATUTE OF FRAUDS.

A verbal agreement by a bank, made with the payee, on presentment of a check on the bank, the bank then having no funds of the drawer on deposit, to pay the check if the payee will deposit it in another bank, so that it shall be presented for payment through the clearing-house, is within the Statute of Frauds. *Morse v. Mass. Nat. Bank*, 209.

STEAMSHIP.

1. By the act of 1864, chap. 69, art. 16, a steamship is bound to proceed in a fog at a speed sufficiently moderate to enable her, under ordinary circumstances, when approaching another ship so as to involve risk of collision, seasonably and effectually to slacken her speed, or, if necessary, stop and reverse. *Dolner v. Steamer Monticello*, 7.
2. A steamship undertaking, in a channel frequented by small vessels and boats, to run at an acute angle under the stern of a vessel at anchor, so large and standing so high out of water as to intercept the view from the steamship of small vessels and boats, is bound to proceed at such rate of speed, and with such vigilance, as will enable her to keep out of the way of a sailing-vessel passing from behind the anchored vessel. *Judd Co. v. Steamer Java*, 15.

STOCK CERTIFICATE.

1. It is within the general authority of the cashier of a bank to sign, in its behalf, a blank transfer upon a certificate of stock in the name of the bank, held by it as collateral security for a loan, and deliver the certificate to the pledgor on payment of the loan. *Matthews v. Massachusetts Nat. Bank*, 396.
2. The signing a transfer in blank on a certificate of stock is a warranty of the genuineness of the certificate. *Ibid.*
3. A stock certificate originally for two shares of stock in the name of C, which had been by him fraudulently altered so as to purport to be for two hundred shares in the name of a certain bank as collateral, was received in good faith by the bank, from C, as collateral security for a loan to him. On payment of the loan by C, the cashier of the bank, as such, signed a transfer in blank upon the back of the certificate, and delivered it to C. Afterwards, the plaintiff in good faith received the same certificate from

C, as collateral security for a loan then made to him. The plaintiff's loan was not paid. On suit by him against the bank to recover the amount of his loss, *Held*, that the bank was liable. *Ibid*.

STRANDING.

See AVERAGE; BOTTOMRY AND RESPONDENTIA.

SUCCESSION.

See TAX, 5, 6.

SURETY.

1. A surety upon a bond given by a partnership to an insurance company to secure the faithful performance by the firm of the duties of agents of the company, and payment to it of the amounts received by the firm as such agents, is liable in an action on the bond, brought after the dissolution of the firm by death of one of the partners, only for amounts received by the firm as agents of the company, before the dissolution. *Connecticut Mut. Life Ins. Co. v. Bowler*, 263.
2. The surety is not liable on the bond for amounts received after the dissolution, by the surviving partner, then acting as agent of the company. *Ibid*.
3. Nor for amounts received by sub-agents before the dissolution of the firm, and after the dissolution paid by them to the surviving partner, then acting as agent of the company. *Ibid*.

TAX.

1. The penalty of one hundred per cent on re-assessment of an internal revenue tax, under the act of March 2, 1867 (13 Stats. 480), for false and fraudulent omission of taxable property from the return to the assessor, cannot be lawfully collected, if the re-assessment includes a sum not legally taxed. *Michigan Central R. R. Co. v. Slack*, 231.
2. Under the act of March 2, 1867, it is a prerequisite to the lawful collection of the penalty of one hundred per cent in addition to the internal revenue tax as re-assessed according to that act, for false and fraudulent omission from the return of taxable property, that the assessor should determine that the omission was false and fraudulent, and adjudge the penalty to have been incurred. A penalty added by the assessor only on the order of his superior officer, and not as the result of his own finding upon the facts, is not legally added, and cannot lawfully be collected. *Ibid*.
3. Sect. 119 of the act of June 30, 1864 (13 Stats. 283), as amended by the act of July 13, 1866 (14 Stats. 138), providing that income taxes "shall be levied on the first day of May, and be due and payable on or before the thirtieth day of June, in each year, until and including the year 1870, and no longer," does not apply to an internal revenue tax on the dividends and earnings of a railway corporation for the first six months of the year 1870, which is not an income tax, but an excise. *Metropolitan R. R. Co. v. Slack*, 375.

4. Under sect. 15 of the act of July 14, 1870 (16 Stats. 260), providing for levy and collection of a tax "for and during the year 1871," on interest paid by corporations, "and on the amount of dividends of earnings hereafter declared by them," the dividends and earnings of a railway corporation for the last six months of the year 1870 are not taxable. *Ibid.*
5. Under the internal revenue acts of June 30, 1864, and July 13, 1866, no succession tax accrued against a devisee of real estate in fee, after a life estate in another, until the termination of the life estate. *Mason v. Clapp*, 417.
6. Such tax, therefore, cannot lawfully be assessed against such devisee where the life estate began before, and terminated after, the date fixed for the repeal of the succession tax by the act of July 14, 1870 (16 Stats. 256), the seventeenth section of which provided that the repeal should not prevent the levy and collection of "taxes properly assessed, or liable to be assessed, or accruing under the provisions of former acts," and that the act should "not be construed to affect any act done, right accrued, or penalty incurred under former acts." *Ibid.*
7. The selling agents of a manufacturing company, who sell all the company's goods at their place of business, or that of their sub-agents, on behalf of the company, by samples only, the goods being delivered to purchasers direct from the company's factory, and the proceeds, if received by the agents, paid over to the company, are not liable to a special tax on such sales, as wholesale dealers, under the act of June 30, 1864, as amended by the act of July 1, 1866 (14 Stats. 98). *Tucker v. Slack*, 485.
8. The term "place of business," in sect. 9 of the act of July 13, 1866 (14 Stats. 113), exempting from special tax, sales by manufacturers of their own goods, wares, and merchandise, "at their principal office or place of business," if the goods, wares, or merchandise are kept there only as samples, means the principal place of business for the sale of the goods, wares, or merchandise. *Ibid.*

TITLE.

See COPYRIGHT.

TRADE.

1. The term "foreign trade," as used in the tenth section of the act of June 1, 1872 (17 Stats. 238), includes trade between the Atlantic and Pacific ports of the United States. *United States v. Patten*, 421.
2. The term "coastwise trade," as used in that section, does not include trade between the Atlantic and Pacific ports of the United States. *Ibid.*

TRADE-MARK.

1. The office of a trade-mark is to point distinctively to the origin or ownership of the article to which it is affixed. *Osgood v. Allen*, 185.

2. Where a trade-mark right is invaded, the essence of the wrong consists in the sale of the goods of one manufacturer or vender as those of another. It is only when this false representation is directly or indirectly made that relief is granted in equity. *Ibid.*
3. Where, in a suit in equity to restrain alleged infringement of a trade-mark right in the title of a publication, it did not appear whether or not the public was actually deceived, or in danger of being deceived, into buying the defendant's publication as that of the complainant, the cause was referred to a master, to ascertain and report whether such was the fact. *Ibid.*

TRESPASS.

A wagon and other articles, the property of an express company, then in possession of a stable-keeper, attached on mesne process in a suit against the company, were bought at sheriff's sale made under statute of Massachusetts, by the attaching creditors, under an agreement with the sheriff that edit should be given for the articles they might purchase at the sale until the decision of the suit in which the attachment was made. After the sale, the officer and the auctioneer instructed the stable-keeper not to deliver any articles sold, except on production of a receipt for the purchase-money, signed by the auctioneer. Before payment for the wagon, and while it was still in the stable-keeper's possession, and without the knowledge of the purchasers, it was distrained and sold by a United States collector of internal revenue, after notice to the express company, for non-payment of taxes due from the company. *Held*, that the right of property in the wagon vested by the sale in the purchasers, and that they could maintain trespass *de bonis asportatis* against the collector for its conversion. *Abbott v. McCartney*, 80.

TRUST AND TRUSTEE.

See DIRECTOR; EQUITY, 1, 2.

UTILITY.

The fact that a defendant prefers to use a patented mechanism rather than one open to his use which would not infringe the patent, is evidence of sufficient utility in the invention to support a patent. *Smith v. Glendale Elastic Fabrics Co.*, 340.

VERDICT.

It is not error to allow the plaintiff to remit an excess of interest found in the verdict, and then affirm the verdict, so amended. *Paige v. Loring*, 275.

WARRANTY.

See STOCK CERTIFICATE, 2.

WHALING-SHIP.

The whaling equipment, provisions, and supplies of a whaling-ship, are not within the meaning of the words "ship or vessel" as used in sect. 3 of the act of March 3, 1851 (9 Stats. 635), limiting the liability of ship-owners in cases of collision to the value of their interest in the "ship or vessel, and her freight then pending." *Swift v. Brownell*, 467.

See FREIGHT, 2.

WHOLESALE DEALER.

See TAX, 7.

WOOL.

See DUTY.

